

*Government that Works!*

**NEW JERSEY DEPARTMENT OF THE TREASURY**

**LOCAL GOVERNMENT BUDGET REVIEW**

**TOWNSHIP OF WASHINGTON  
AND  
WASHINGTON TOWNSHIP FIRE DISTRICT**

**CHRISTINE TODD WHITMAN**  
*Governor*

**ROLAND M. MACHOLD**  
*State Treasurer*

**JANUARY, 2001**



## **GOVERNMENT THAT WORKS**

### **OPPORTUNITIES FOR CHANGE**

#### ***The Report of the Township of Washington and the Washington Township Fire District***

New Jerseyans deserve the best government their tax dollars can provide. Governor Whitman is committed to making state government leaner, smarter and more responsive by bringing a common sense approach to the way government does business. It means taxpayers should get a dollar's worth of service for every dollar they send to government, whether it goes to Trenton, their local town hall or school board. Government on all levels must stop thinking that money is the solution to their problems and start examining how they spend the money they now have. It is time for government to do something different.

Of major concern is the rising cost of local government. There is no doubt that local government costs and the property taxes that pay for them have been rising steadily over the past decade. Prior to Governor Whitman's taking office in 1994, the state had never worked as closely with towns to examine what is behind those costs. That is why she created the Local Government Budget Review (LGBR) program. Its mission is simple: to help local governments and school boards find savings and efficiencies without compromising the delivery of services to the public.

The LGBR program utilizes an innovative approach combining the expertise of professionals, primarily from the Departments of Treasury, Community Affairs and Education, with team leaders who are experienced local government managers. In effect, it gives local governments a comprehensive management review and consulting service by the state at no cost. To find those "cost drivers" in local government, teams review all aspects of local government operation, looking for ways to improve efficiency and reduce costs.

In addition, teams also document those state regulations and mandates which place burdens on local governments without value-added benefits and suggest, on behalf of local officials, which ones should be modified or eliminated. Teams also look for "best practices" and innovative ideas that deserve recognition and other communities may want to emulate.

Based upon the dramatic success of the program and the number of requests for review services, in July, 1997, Governor Whitman ordered the expansion of the program, tripling its number of teams in an effort to reach more communities and school districts. The ultimate goal is to provide assistance to local government that results in meaningful property tax relief to the citizens of New Jersey.

## **THE REVIEW PROCESS**

In order for a town, county or school district to participate in the Local Government Budget Review program, a majority of the elected officials must request the help of the review team through a resolution. There is a practical reason for this: to participate, the governing body must agree to make all personnel and records available to the review team, and agree to an open public presentation and discussion of the review team's findings and recommendations.

As part of the review, team members interviewed each elected official, as well as employees, appointees, members of the public, contractors and any other appropriate individuals. The review teams examined current collective bargaining agreements, audit reports, public offering statements, annual financial statements, the municipal code and independent reports and recommendations previously developed for the governmental entities, and other relevant information. The review team physically visits and observes the work procedures and operations throughout the governmental entity to observe employees in the performance of their duties.

In general, the review team received the full cooperation and assistance of all employees and elected officials. That cooperation and assistance was testament to the willingness, on the part of most, to embrace recommendations for change. Those officials and employees who remain skeptical of the need for change or improvement will present a significant challenge for those committed to embracing the recommendations outlined in this report.

Where possible, the potential financial impact of an issue or recommendation is provided in this report. The recommendations do not all have a direct or immediate impact on the budget or the tax rate. In particular, the productivity enhancement values identified in this report do not necessarily reflect actual cash dollars to the municipality, but do represent the cost of the entity's current operations and an opportunity to define the value of improving upon such operations. The estimates have been developed in an effort to provide the entity an indication of the potential magnitude of each issue and the savings, productivity enhancement, or cost to the community. We recognize that all of these recommendations cannot be accomplished immediately and that some of the savings will occur only in the first year. Many of these suggestions will require negotiations through the collective bargaining process. We believe, however, that these estimates are conservative and achievable.

Both the township and the fire district requested that LGBR perform budgetary reviews. Each of those entities operate independently of each other. Therefore, the team, in effect, performed two separate reviews. For purposes of discussion in this report, the team indicated when there was overlap or cooperative interaction but, generally, the operations of each entity are addressed separately. The mayor, through a formal letter of request to the Washington Township Municipal Utilities Authority, requested that entity also undergo a review. However, the MUA did not participate in the review process.

**LOCAL GOVERNMENT BUDGET REVIEW  
EXECUTIVE SUMMARY  
TOWNSHIP OF WASHINGTON**

**Office of the Township Clerk**

The team recommends the township update the municipal codebook at a one-time expense of \$5,000. The team also recommends that the township purchase a state-of-the-art codification system, which would include paper codebook updates, at an additional one-time expense of \$11,425.

The township could yield a revenue enhancement of \$30,280 by charging a \$20 registration fee for mercantile licensing.

**Professional Services**

The team recommends the township create a scope-of-work outline to solicit proposals for professional services, saving \$29,984. The township could save an additional \$19,781 by converting from a salaried employee to a professional service contract for general solicitor duties.

**Department of Finance and Administration**

*Administration*

The team recommends the township eliminate the escrow staff position and return the tracking of the account to the planning staff, saving \$31,364.

*Cash Management*

By requesting each bank to provide a monthly account analysis, the township can establish an investment program consistent with the cash flow analysis and competitively invest all balances for a revenue enhancement of \$32,126.

*Insurance*

By adopting the state guidelines of 70% salary payment beginning at the eighth day of missed work, the township could potentially save \$46,275.

The team recommends the township evaluate the costs associated with the TPA contract and consider soliciting bids for the service, saving \$44,000.

The team recommends the township governing body voluntary decline receipt of health benefits, saving \$62,379.

The township should consider pursuing utilization of the State's Health Benefits Plan (SHBP), saving \$240,432. The team also recommends the township negotiate a change in language in the bargaining unit contract to provide health insurance at a level equal to the SHBP, potentially saving \$100,924.

The team further recommends the township negotiate the State of New Jersey dental plan co-payment standard into employee contracts, potentially saving \$72,000.

#### *Payroll*

The team recommends the payroll function be outsourced and the staff accountant position be eliminated, saving \$28,790.

#### *Purchasing*

By consolidating all purchasing functions under the business administrator, with processing assistance from the clerk, the township could save \$34,539.

The team recommends the township create a clerk II position to support CFO functions at an expense of \$30,040.

#### *Technology*

The township should consider creating an Information System (IS) staff position to support IS planning, implementation, and training needs, at an expense of \$50,000. The township could save an additional \$10,000 per year in consultant fees.

### **Department of Health and Welfare**

#### *Health Office/Advisory Board of Health*

The team recommends the township review and update fees on a regular basis. Because the fees have not been updated in several years, the township should consider a 10% increase for a revenue enhancement of \$17,000.

By performing a dog canvass every two years, as permitted by statute, the township could save \$11,700. The township could yield an additional revenue enhancement of \$3,500 by strengthening the current dog canvass process.

#### *Youth Services/Municipal Alliance Commission*

The team recommends the township evaluate the cost of each service versus its value and consider program cost-sharing arrangements, saving \$108,962.

### **Department of Licenses and Inspections**

The team recommends the township implement DCA's staffing analysis and increase the staffing level in increments, at an expense of \$266,630.

The team recommends the township annually assess the planning and zoning board fees to ensure the cost of operation is fully covered by the amount collected. The township should consider increasing the fees by 30% in 2000 for a revenue enhancement of \$16,837.

## **Department of Municipal Support Services**

### *Department Administration*

The team recommends one clerical position be upgraded to office manager and a more efficient copier be leased to improve operation efficiency, at an expense of \$6,200. The team also recommends the vacant position be eliminated, saving \$36,539.

The team recommends the clerical staff be provided with Internet connectivity at an annual expense of \$125 per year and the department purchase a digital camera at a one-time expense of \$500. The team also recommends the township purchase, and utilize, a computerized work order system at an additional one-time expense of \$4,500.

By reclassifying five driver positions as laborers, the township could potentially save \$45,000. The team also recommends the township negotiate to bring its occupational wages more in line with area rates, for a potential savings of \$127,756.

### *Division of Public Works*

The township should stay current with the Pavement Management Program (PMP) and increase funding for road improvements at an annual expense of \$400,000. The team projected the annual cost avoidance to be approximately \$600,000.

The team recommends that the township request a streetlight inventory and perform a survey, replacing and upgrading older lamps, saving \$19,369. The township could save an additional \$13,200 by replacing incandescent bulbs with LED lamps and installing and/or repairing timers on outdoor recreation lighting.

The team recommends the township use the contracted disposal/delivery vendor for leaf collection since it is already included in the contract, saving \$290,769.

By implementing the various recommendations outlined in the report, i.e., move bulk item pickup from 52 times per year to 12, switch from weekly recycling pick-up to bi-weekly recycling pickup, the township could save \$197,400.

The team recommends the township privatize street sweeping, saving \$47,031.

### *Vehicle Maintenance*

By consolidating all repair functions at the public works garage, the township could save \$58,499. The team also recommends that a staff member be given the day-to-day operational responsibilities of supervising the vehicle maintenance function, at an expense of \$6,517.

The team recommends the township have the automated pumps at the municipal complex reprogrammed to require mileage input, at a one-time expense of \$300. The team also recommends the township purchase, and utilize, a fleet management system at a one-time expense of \$10,000, yielding a productivity enhancement of \$17,410.

The team recommends the township purchase and install an overhead reel oil dispensing system at a one-time expense of \$700.

By utilizing the state contract for the purchase of oil, antifreeze and washer fluid, the township could save \$350.

The team recommends the township purchase recap tires for heavy-duty trucks and off road equipment, saving \$1,688.

#### *Division of Parks and Recreation*

By utilizing volunteers and leagues for the preparation of athletic fields, the township could save \$62,000 by eliminating one position from the park crew. The township could save an additional \$54,091 by eliminating one buildings and grounds position currently assigned to historic/recreation building work.

The team recommends the township contract out for building cleaning, maintenance and ground maintenance services, eliminating five building maintenance cleaning and one buildings and grounds position, saving \$158,000.

By reducing the expenditures for park ranger staffing to the level supported by the special legislative grant, the township could save \$128,808.

The team recommends the township undergo a comprehensive review of costs of each recreation program to determine how much of the expense should be covered from the tax base and how much by the users, saving \$118,148.

The team also recommends the township adopt a structure to establish fees based on the true cost of operations, saving \$99,864.

### **Department of Public Safety**

#### *Division of Police*

The team recommends the township gradually attrition back to one corporal per shift, saving \$65,000.

By supporting the system the township created and maintained, allowing one of the senior officers to act as Officer-in-Charge until the formal selection of chief was complete, the township could save \$25,000.

By implementing the staffing levels outlined in the report, the department will avoid having to hire the planned nine additional police officers, for a cost avoidance of \$360,000.

The township could yield a potential productivity enhancement of \$394,368 by transitioning to a 2,080-hour per year, 40-hour per week schedule.

The team recommends the township provide patrol team supervisors with keys to storage cabinets and purchase at least one new computer for word processing, at a one-time expense of \$1,500.

The township should consider reassigning six members to basic patrol operations and have the community policing unit fall under the operations division, yielding a productivity enhancement of \$269,568.

The team recommends a quantitative analysis be undertaken to validate both staffing levels and workload variables in the investigation section, for a productivity enhancement of \$78,416.

The team recommends the department transfer its local dispatching center functions to the Gloucester County Emergency Communications Center, saving \$550,000.

By replacing civilian employees in any job description not requiring the services of a professional law enforcement officer, the township could yield a productivity enhancement of \$179,712, at an expense of \$130,000.

The team recommends the township eliminate the Lexington Plan and reduce the fleet by 35 radio cars, saving \$61,439 in maintenance and insurance, with a one-time revenue enhancement of \$105,000 from the sale of the vehicles. The township would also yield a cost avoidance of \$225,840 avoiding the purchase of 10 new vehicles.

By eliminating tuition reimbursements through negotiations, the township could potentially save \$31,457.

By enforcing the burglar alarm ordinance and assessing the appropriate penalties, the township could yield a revenue enhancement of \$4,400.

The team recommends the township file a grant application for 15 bulletproof vests, yielding a revenue enhancement of \$7,500.

By renegotiating to eliminate the clothing allowance provision, the township could potentially save \$43,450.

#### *Division of Emergency Management*

The team recommends the emergency management function be reduced to less than full-time responsibilities, saving \$93,664.

#### *Division of First Aid*

The team recommends the Washington Township Ambulance and Rescue Association reimburse the township for the cost of insurance, saving \$2,500.



**Office of Tax Assessor**

The team recommends the township contract for services of an assessor to assist with necessary inspections, at an expense of \$16,640.

**Public Library**

The township should consider identifying all costs incurred associated with provision of library services. The additional amount should be deducted from the required 1/3 of a mil allocation or be reimbursed by the library, saving \$8,690.

**Washington Township Fire District***Professional Consultants*

The district should create an appropriate scope-of-work outline for each professional service and solicit proposals and fee schedules, saving \$4,374.

*Bureau of Fire Prevention*

The team recommends the district eliminate the full-time fire inspector and keep with its plan to not replace the part-time inspection, saving \$50,827.

By adjusting one of the firefighter/inspector's work schedule, the district could yield a productivity enhancement of \$3,648.

The team recommends the district cease issuing warnings, and issue only violations with fines attached, yielding a revenue enhancement of \$3,825. The team also recommends the district hire two part-time workers to perform fire lane enforcement functions, other than during weekday hours, at an expense of \$12,076. The district could expect to generate an additional revenue enhancement of \$29,250 assuming the evening/weekend staff issue 1,300 violations per year.

The team recommends the district forward a letter and list of delinquent citations to Motor Vehicle Services (MVS) to collect outstanding fire lane violations for a revenue enhancement of \$1,237.

*Business Administration*

The team recommends the district eliminate the Business Administrator (BA) position, saving \$55,748, and make the bookkeeper position full-time, at an expense of \$12,186.

The district should consider increasing its property deductible to \$1,000 per occurrence, saving \$1,459.

The team recommends the district establish and catalog an adequate inventory control system, at a one-time expense of \$6,000.

The team recommends the district apply for membership with the State's Health Benefits Plan (SHBP), saving \$17,142. The team also recommends the district provide health benefits to only those staff members who meet the definition of full-time employee, saving an additional \$4,433.

The district should consider utilizing the state's cost-per-copy contract, saving \$4,146.

#### *Fire and Rescue Operations*

The team recommends the board, district and fire company work cooperatively to turn the Whitman Square building over to the district. If the company does not deed the property, the district should cease paying for building operational costs and insurance coverage, saving \$8,582.

By reducing the uniform cleaning allowance, the district could save \$3,803.

#### **Collective Bargaining Issues**

The team recommends the township negotiate to eliminate the annual sick day buyout, potentially saving \$276,786. The team also recommends the township continue negotiations to eliminate longevity, potentially saving an additional \$189,280.

The township should consider negotiating to remove the ½ day for each holiday worked and eliminate the overtime pay for hours worked on regular shift for inclement weather closures, potentially saving \$39,429.

The team recommends the township negotiate a variation of the New Jersey State Police Quartermaster System, supplying uniforms and bid cleaning services, potentially savings \$13,950. The township should also negotiate to establish uniform costs to be \$350 per member, potentially saving an additional \$11,000. The team also recommends establishing a quartermaster system for members of PBA Local 318, potentially saving \$54,347.

The team recommends the township negotiate to expand the workweek to include Friday for all municipal operations, at a potential expense of \$80,183.

**COMPARISON OF BUDGET APPROPRIATIONS, STATE AID,  
AND LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN  
THE TOWNSHIP OF WASHINGTON**

<b><u>Areas Involving Monetary Recommendations</u></b>	<b><u>One-time Savings/ Expense</u></b>	<b><u>Annual Savings/ Expense</u></b>	<b><u>*Potential Savings</u></b>	<b><u>Totals</u></b>
<b>Office of Township Clerk</b>				
Updated municipal codebook	(\$5,000)			
Purchase state of the art codification system	(\$11,425)			
Charge a \$20 registration fee for mercantile licensing		\$30,280		
				<b>\$13,855</b>
<b>Professional Services</b>				
Create scope of work outline to solicit proposals		\$29,984		
Convert solicitor duties to a professional service contract		\$19,781		
				<b>\$49,765</b>
<b>Department of Finance and Administration</b>				
Eliminate escrow staff position and return account tracking to planning staff		\$31,364		
Competitively investment all account balances		\$32,126		
Adopt state guidelines of 70% salary payment			\$46,275	
Solicit bids for TPA service		\$44,000		
Governing body voluntary decline receipt of health benefits		\$62,379		
Pursue utilization of the State's Health Benefits Plan (SHBP)		\$240,432		
Negotiate to change contract to provide insurance at a level equal to SHBP			\$100,924	
Negotiate the State of New Jersey dental plan co-payment standard			\$72,000	
Outsource payroll function and eliminate staff accountant position		\$28,790		
Consolidate all purchasing functions under the business administrator		\$34,539		
Create clerk II position to support CFO functions		(\$30,040)		
Create Information System staff position		(\$50,000)		
Savings per year in consultant fees		\$10,000		
				<b>\$403,590</b>
<b>Department of Health and Welfare</b>				
Review and update fees on a regular basis		\$17,000		
Perform dog canvass every two years		\$11,700		

**COMPARISON OF BUDGET APPROPRIATIONS, STATE AID,  
AND LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN  
THE TOWNSHIP OF WASHINGTON**

<b><u>Areas Involving Monetary Recommendations</u></b>	<b><u>One-time Savings/ Expense</u></b>	<b><u>Annual Savings/ Expense</u></b>	<b><u>*Potential Savings</u></b>	<b><u>Totals</u></b>
Strengthen current dog canvass process		\$3,500		
Evaluate cost of each youth service and consider cost-sharing arrangements		\$108,962		<b>\$141,162</b>
<b>Department of Licenses and Inspections</b>				
Implement DCA's staffing analysis		(\$266,630)		
Assess the planning & zoning board fees and increase by 30% in 2000		\$16,837		<b>(\$249,793)</b>
<b>Department of Municipal Support Services</b>				
Upgrade clerical position to office manager and lease more efficient copier		(\$6,200)		
Eliminate vacant position		\$36,539		
Provide clerical staff with Internet connectivity		(\$125)		
Purchase digital camera	(\$500)			
Purchase computerized work order system	(\$4,500)			
Reclassify five driver positions to laborers			\$45,000	
Renegotiate occupational wages			\$127,756	
Increase funding for road improvements		(\$400,000)		
Replace and upgrade older streetlights		\$19,369		
Replace incandescent bulbs with LED lamps and install/repair timers		\$13,200		
Use contracted disposal/delivery vendor for leaf collection		\$290,769		
Implementation of various recommendations outlined, i.e., recycling etc.		\$197,400		
Privatize street sweeping		\$47,031		
Consolidate all repair functions at the public works garage		\$58,499		
Use staff member to supervise day-to-day operational responsibilities		(\$6,517)		
Reprogram automated pumps to require mileage input	(\$300)			
Purchase and utilize fleet management system	(\$10,000)			
Productivity enhancement from purchase of system		\$17,410		
Purchase and install an overhead oil dispensing system	(\$700)			
Use state contract to purchase oil, antifreeze and washer fluid		\$350		

**COMPARISON OF BUDGET APPROPRIATIONS, STATE AID,  
AND LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN  
THE TOWNSHIP OF WASHINGTON**

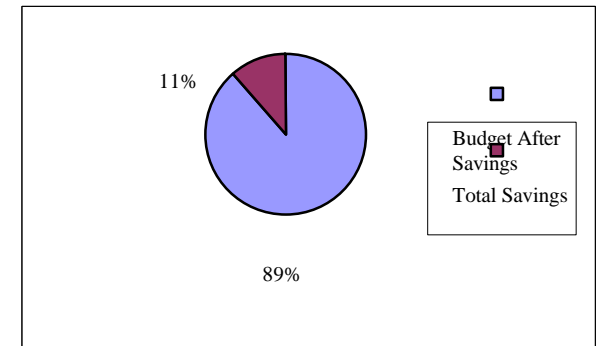
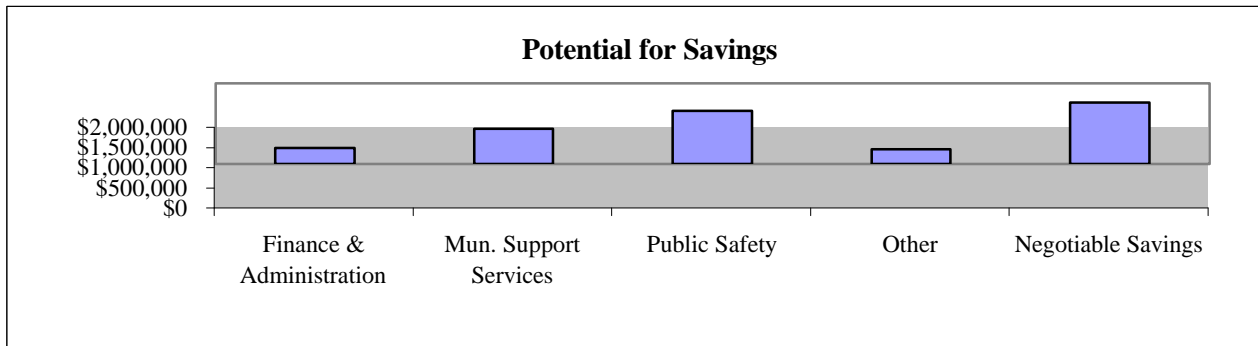
<b><u>Areas Involving Monetary Recommendations</u></b>	<b><u>One-time Savings/ Expense</u></b>	<b><u>Annual Savings/ Expense</u></b>	<b><u>*Potential Savings</u></b>	<b><u>Totals</u></b>
Purchase recap tires for heavy-duty trucks and off road equipment		\$1,688		
Use volunteers and leagues for the preparation of athletic fields		\$62,000		
Eliminate one buildings and grounds position assigned to historic/recreation		\$54,091		
Contract out for building cleaning, maintenance and ground maintenance		\$158,000		
Reduce expenditures for park ranger staffing		\$128,808		
Review recreation costs		\$118,148		
Adopt a structure to establish fees based on the true cost of operations		\$99,864		
				<b>\$874,324</b>
<b>Department of Public Safety</b>				
Attrition back to one corporal per shift		\$65,000		
Allow one senior officer to act as Officer-in-Charge until chief is replaced		\$25,000		
Change work schedule to 2,080-hour per year			\$394,368	
Purchase new computer for patrol team supervisor	(\$1,500)			
Reassign six members to basic patrol operations		\$269,568		
Validate staffing levels and workload variables in investigation section		\$78,416		
Transfer local dispatching center to Gloucester County		\$550,000		
Use civilians in any job description not requiring law enforcement officers		(\$130,000)		
Productivity enhancement from use of civilians		\$179,712		
Eliminate Lexington Plan and reduce fleet by 35 radio cars		\$61,439		
Revenue enhancement from sale of vehicles	\$105,000			
Negotiate to eliminate tuition reimbursement			\$31,457	
Enforce burglar alarm ordinance		\$4,400		
File grant application for bulletproof vests		\$7,500		
Negotiate to eliminate clothing allowance provision			\$43,450	
Reduce emergency management responsibilities to less than full-time		\$93,664		
Seek reimbursement for insurance from association		\$2,500		
				<b>\$1,310,699</b>

**COMPARISON OF BUDGET APPROPRIATIONS, STATE AID,  
AND LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN  
THE TOWNSHIP OF WASHINGTON**

<b><u>Areas Involving Monetary Recommendations</u></b>	<b><u>One-time Savings/ Expense</u></b>	<b><u>Annual Savings/ Expense</u></b>	<b><u>*Potential Savings</u></b>	<b><u>Totals</u></b>
<b>Office of Tax Assessor</b>				
Contract for services of an assessor to assist with inspections		(\$16,640)		<b>(\$16,640)</b>
<b>Public Library</b>				
Reimburse library for costs incurred above 1/3 of a mil allocation		\$8,690		<b>\$8,690</b>
<b>Washington Township Fire District</b>				
Create scope of work outline for professional services and solicit proposals		\$4,374		
Eliminate full-time fire inspector and, also, not replace part-time inspector		\$50,827		
Adjust one of the firefighter/inspector's work schedule		\$3,648		
Issue violations with fines instead of warnings		\$3,825		
Hire two part-time workers to perform fire lane enforcement functions		(\$12,076)		
Revenue enhancement generated from issuing 1,300 violations per year		\$29,250		
Forward letter and list of delinquent citations to Motor Vehicle Services		\$1,237		
Eliminate business administrator position		\$55,748		
Make bookkeeper position full-time		(\$12,186)		
Increase property deductible to \$1,000 per occurrence		\$1,459		
Establish and catalog an adequate inventory control system	(\$6,000)			
Apply for membership with the State's Health Benefits Plan (SHBP)		\$17,142		
Provide benefits only to staff members defined as full-time employees		\$4,433		
Utilize the state's cost-per-copy contract		\$4,146		
Cease paying building operation costs and insurance for Whitman Square		\$8,582		
Reduce uniform cleaning allowance		\$3,803		<b>\$158,212</b>
<b>Collective Bargaining Issues</b>				
Negotiate to eliminate annual sick day buyout			\$276,786	
Continue negotiations to eliminate longevity			\$189,280	
Negotiate to remove 1/2 day for each holiday worked			\$39,429	

# COMPARISON OF BUDGET APPROPRIATIONS, STATE AID, AND LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN THE TOWNSHIP OF WASHINGTON

<u>Areas Involving Monetary Recommendations</u>	<u>One-time Savings/ Expense</u>	<u>Annual Savings/ Expense</u>	<u>*Potential Savings</u>	<u>Totals</u>
Negotiate a variation of the New Jersey State Police Quartermaster System			\$13,950	
Negotiate to establish uniform costs to \$350			\$11,000	
Establish quartermaster system for PBA Local 318			\$54,347	
Negotiate to expand workweek to include Friday for municipal operations			\$80,183	
<b>Total Recommended Savings</b>	<b>\$65,075</b>	<b>\$2,628,789</b>	<b>\$1,526,205</b>	<b>\$2,693,864</b>
*\$1,526,205 not included in savings of \$2,693,864.				
<b>Total Amount Raised for Municipal Tax</b>				<b>\$13,300,804</b>
<b>Savings as a % of Municipal Tax</b>				<b>20%</b>
<b>Total Budget</b>				<b>\$23,464,567</b>
<b>Savings as a % of Budget</b>				<b>11%</b>
<b>Total State Aid</b>				<b>\$4,695,262</b>
<b>Savings as a % of State Aid</b>				<b>57%</b>



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## **COMMUNITY OVERVIEW**

Incorporated in 1836, Washington Township is steeped in history and pride. The township covers about 21.5 square miles, making it the largest municipality in Gloucester County, with about 25% of the county's population. It is comprised of the communities of Turnersville, Hurffville, Grenloch, Cross Keys, Mayfair, Bunker Hill, and Chapel Heights. The township's oldest community is Grenloch, which was a thriving Lenni-Lenape Indian village.

Washington Township is a dynamic and progressive community and is promoted to be South Jersey's Premier Address. It is largely a suburban, family community comprised of all types of residential properties, from condominiums starting in the \$60,000 range to single family dwellings, generally starting at about \$120,000 and going upward to a million dollars.

One of the goals of the township governing body has been to provide outstanding educational, recreational, and social activities and programs. To this end, the township provides several recreational opportunities to its residents including Washington Lake Park, which has a swimming lake, and numerous recreational facilities. In addition, there is a 2,500 seat Performing Arts Center, a nine-hole township-owned executive golf course, two community activity centers, a sports complex and a senior center.

The township is easily accessible by car. The North-South Freeway (State Highway #42) intersects with the Atlantic City Expressway on the township's border, in close proximity to the Black Horse Pike (Route #168). These highways provide access to the New Jersey Turnpike and Interstates 295 and 76. The Philadelphia International Airport is approximately 30 minutes from the township. The principle business and shopping areas are situated along the Black Horse Pike, although there are small strip store shopping centers throughout the township.

In the mid-1960s, Washington Township was a community of 5,800 residents, with an abundance of farmland and open space. There has been a tremendous amount of development in the township over the last few decades, resulting in a population of approximately 48,000 today, and a significant loss in farmland and open space.

The most significant issue to the township and fire district governance in the future will be providing the same level of service, without substantial increases to the tax rates. The development and, therefore, the steady increase in assessments, has allowed for a relatively stable municipal and fire district tax rate. While the municipal tax rate has only increased by 5.2 cents (about 9%) in the last five years, the amount raised by taxation has increased from \$7,792,225 in 1994 to \$14,248,839 in 1999, representing a 83% increase in tax revenues. During the same time period, the total assessed property value in Washington increased by \$187,750,200. As the township moves ahead and developable land becomes scarce, the increases in revenues generated through the relatively stable tax rate will level off. The township and fire district will be forced to either stabilize its budgets or increase taxes. Historical tax trends for both the township and fire district are discussed in the corresponding finance sections.

## **I. BEST PRACTICES**

A very important part of the Local Government Budget Review report is the Best Practices section. During the course of every review, each team identifies procedures, programs and practices, which are noteworthy and deserving of recognition. Best Practices are presented to encourage replication in communities and schools throughout the state. By implementing these practices, municipalities and school districts can benefit from the Local Government Budget Review process and, possibly, save considerable expense on their own.

Just as we are not able to identify every area of potential cost savings, the review team cannot cite every area of effective effort. The following are those “best practices” recognized by the team for their cost and/or service delivery effectiveness.

### **TOWNSHIP**

#### **Use of Community Service Workers**

The township utilizes community service workers, prisoners and welfare workers to supplement its regular public works force in the area of litter pick up and other minor buildings and grounds beautification. In 1999, the township garnered 12,000 hours of work from this program. This equates, based upon a 2,080-hour work year, to 5.77 full-time personnel and obviates the need for the township to hire seasonal or part-time employees to perform this function. At the township’s pay scale for seasonal/part-time employees (\$6.50), it would have cost the township an estimated additional \$78,000 and approximately \$6,000 in statutory payments (Medicare and Social Security) to provide this same service.

#### **Pavement Management Program**

In July of 1998, the township authorized the municipal engineer to compile a comprehensive inventory of every municipal road, assign it a grade, and recommend the appropriate action and timelines for implementation. The resulting 60-page document is called the Pavement Management Program (PMP) and is a 15-year plan for the years 1998 to 2012. Implementation of the PMP would extend the useful life of the local roadway system by performing lower cost maintenance type improvements, such as seal coating and resurfacing, at a fraction of the cost of full road re-construction.

This is an excellent management tool that not only keeps costs down by extending the life of roadways but, also provides an objective road maintenance plan based on each road’s condition. If the program were to be fully implemented, the township could avoid \$38.8 million over a 40-year period, or slightly less than \$1 million annually.

#### **Energy Costs**

In February of 2000, the governing body took action to participate in the Gloucester County Purchasing Cooperative for electric utility service. This transition to the County Co-op will

result in a 12% decrease from the rates being charged by the current electric provider. The 1999 appropriation for electric energy was \$640,000, hence, a 12% reduction in rates will result in nearly \$77,000 in savings.

### **Volunteerism**

There are numerous committees, boards, commissions, citizen and business groups, athletic activities, and emergency services that rely on volunteers to operate. The team found that the level of citizen participation was particularly impressive in Washington Township. While the team cannot quantify the cost savings to the township as a result of the effort put forth by these volunteers, the savings are considerable.

### **Computer Terminal**

The team noted that there is a computer terminal on the customer service counter in the tax assessor's office. The computer is provided for public use to research property records. In the typical municipality, the staff of the assessor's office assists the public with research, which takes the staff away from their normal duties and interrupts their workflow. Assuming a timesaving of 20% for one clerk, the team calculated that the township is saving about \$6,331 in staff costs by simply having the computer and records available to the public without the need for staff intervention.

## **FIRE DISTRICT**

### **Length of Service Award Program (LOSAP)**

LGBR was impressed with the creation, administration and enforcement of the fire district's LOSAP point system. The point system requires each member earn at least 50 points per year from a variety of activities, in order to get credited for a year of service. A volunteer can accumulate no more than 25 points in any one category per year.

Also, notable is the district competitively prices the LOSAP coverage with various financial firms and the monthly payment is currently limited to \$250, below that which is permitted by state statute. Other entities seeking to establish a LOSAP would be well served to use the Washington plan as a model.

### **Board of Fire Commissioner's Meeting Agenda**

The timely preparation and informational format of the agenda is an important component of providing information to the public. The agenda format utilized by the Board of Fire Commissioners was an excellent example of an agenda designed for usability. The agenda, which was provided in advance of the meeting, had space and lines for the public to record attendance, votes and motions, and for attendees to take notes. In short, the agenda provided sufficient information to give a skeletal outline of the meeting and was in a format that was easy to follow.

**Workers' Compensation**

The workers' compensation plan adopted by the fire district closely mirrors the state salary payment guidelines. Generally, the salary reimbursement portion of the district's policy establishes that employees can only be reimbursed 70% of their regular salary, but can use sick time to make up the difference. The employee only received the 70% payment if there is six days of work missed.

## **II. OPPORTUNITIES FOR CHANGE/FINDINGS AND RECOMMENDATIONS**

The purpose of this section of the review report is to identify opportunities for change and to make recommendations that will result in more efficient operations and financial savings to the municipality and its taxpayers.

In its study, the review team found the municipality makes a conscious effort to control costs and to explore areas of cost saving efficiencies in its operations. Many of these are identified in the Best Practices section of this report. Others will be noted, as appropriate, in the findings to follow. The municipality is to be commended for its efforts. The review team did find areas where additional savings could be generated and has made recommendations for change that will result in reduced costs or increased revenue.

Where possible, a dollar value has been assigned to each recommendation to provide a measure of importance or magnitude to illustrate cost savings. The time it will take to implement each recommendation will vary. It is not possible to expect the total projected savings to be achieved in a short period of time. Nevertheless, the total savings and revenue enhancements should be viewed as an attainable goal. The impact will be reflected in the immediate budget, future budgets, and the tax rate(s). Some recommendations may be subject to collective bargaining considerations and, therefore, may not be implemented until the next round of negotiations. The total savings will lead to a reduction in tax rates resulting from improvements in budgeting, cash management, cost control and revenue enhancement.

### **GOVERNING BODY**

The township charter establishes a separation of legislative and administrative powers. The township council exercises the legislative powers while the mayor is responsible for enforcing the ordinances and supervising all departments. The township has a mayor-council form of government.

#### **Township Council**

The township council is comprised of five members, elected at large, for terms of four years. Typically, the council meets every two weeks and one meeting per month is televised. The council members rotate the position of council president from among its membership. The president is generally responsible for presiding over the meetings, ruling on questions of order, and signing all ordinances. In addition, the council is responsible for causing the annual audit to be conducted and may reduce any items in the mayor's budget, upon affirmative vote.

The 1999 stipend for a council member was \$8,266, with the council president being compensated \$10,000.

## **Mayor**

The mayor is the chief executive officer of the municipality. In addition to the primary functions discussed above, the mayor is responsible for preparing and submitting the township budget to the council, reporting on the work of the previous year, has veto power and may attend council meetings, but can only vote in the case of a tie.

The mayor's office staff consists of a full-time secretary and the director of personnel and constituent relations. In 1999, the total position value for the mayor and two staff support was \$135,287.

The administrative code delegates personnel responsibilities to the department of administration and finance. It was apparent the director of personnel and constituent relations did not report to the business administrator but, rather, directly to the mayor. Generally, in a municipality the size of Washington, it is not unusual for the mayor to have an assistant for constituent services and other mayoral duties. Further, some of the functions relating to personnel management, such as labor negotiations, collective bargaining agreements, responding to grievances, and formulating an appropriate scope and scale for job descriptions, have evolved into areas of specialization. Personnel management is discussed further under the department of finance and administration section.

## **Recommendation:**

**The team recommends that the personnel function be reassigned, as in code, to the business administrator position and this staff position should be realigned to the functions of a mayor's assistant.**

## **OFFICE OF THE TOWNSHIP CLERK**

### **Responsibilities and Staffing**

Washington Township's Administrative Code 2-4 establishes the office of the township clerk. Section 2-4.2 defines the duties of the township clerk.

The township clerk, a deputy township clerk and a clerk III staff the office. The deputy clerk was hired late in 1999. The following charts show total position values (salary, statutory payments and benefits) for the office in 1999 and projects the cost in 2000 with the full staffing level.

<b>1999 Actual Staff Cost</b>		
<b>Title</b>	<b>Base Salary</b>	<b>Position Value</b>
Twp. Clerk	\$40,837	\$52,923
Deputy Clerk	\$6,471	\$6,966
Clerk III	\$23,878	\$30,682
<b>Total</b>	<b>\$71,186</b>	<b>\$90,571</b>

<b>2000 Projected Staff Cost</b>		
<b>Title</b>	<b>Base Salary</b>	<b>Position Value</b>
Twp. Clerk	\$47,505	\$61,562
Deputy Clerk	\$40,000	\$51,836
Clerk III	\$24,714	\$32,027
<b>Total</b>	<b>\$112,219</b>	<b>\$145,424</b>

## **Council Agenda**

The township council meets on the 2<sup>nd</sup> and 4<sup>th</sup> Thursday of the month. The current process for getting items on the agenda has department heads submit agenda requests, with supporting documentation, directly to the township solicitor, without copies to the clerk. The solicitor prepares the document for council action (ordinance, resolution or motion) and sends it to the clerk for inclusion on the agenda. Upon receipt of the solicitor's package, the clerk prepares a preliminary agenda for the council president's approval. Upon approval, the agenda package is prepared and placed in each council member's mailbox for review. Copies are also given to the mayor and other appropriate township officials.

The team followed the process for a typical scheduled, regular council meeting. As of 11:00 a.m. on the day of the meeting, the clerk had not yet received the solicitor's package. At that time, the only agenda items, of which the clerk was aware, were the items submitted by the clerk's office. It was reported to the team the current process often results in members of council postponing votes on items due to insufficient review time.

### **Recommendation:**

**The team recommends the clerk develop and institute a formal agenda procedure whereby department heads submit all agenda requests to the clerk by a specified number of days prior to the meeting. The clerk can then review all requests with the council president prior to forwarding them to the solicitor for preparation. Once the council president has approved the requests and the solicitor has prepared the appropriate ordinances and resolutions, the clerk can prepare and distribute packets to the governing body, with sufficient time for review. The new process should ensure council members have the packets at least 48 hours in advance of the meeting.**

## **Council Minutes**

Another important function of the clerk's office is to take and prepare accurate minutes of the council meetings. The team reviewed the 1999 minute book and noted the brevity of meeting minutes. Often the minutes reflected general statements and did not identify the speaker. This was most frequent when the minutes recounted comments from the public.

### **Recommendation:**

**While the New Jersey Clerk's Manual does not require taping of meeting minutes, it does say notes must be sufficient to accurately reconstruct the events occurring at the meeting. The team recommends the clerk and deputy clerk thoroughly review the note-taking procedures in the clerk's manual and revise their procedures accordingly.**

## **Township Code Book**

The clerk's office is responsible for indexing and preserving all ordinances, resolutions, motions and minutes, as well as, other documents that require retention as a matter of public record. The team reviewed the 1999 ordinance book and the 1999 resolution book. Both were found to be in order. However, an ordinance is a significant act establishing legal obligations for citizens and



businesses and it communicates public policy to those affected. It is of utmost importance that citizens, township employees and others having affairs with the township have a single resource from which they can easily find all of the laws and policies in force, as adopted by the township governing body. The orderly compilation of these ordinances is called codification. The results are published in the municipal codebook. The township's codebook has not been updated since 1995, meaning any ordinances adopted or revised in the intervening years would not be included in the codebook. The mayor indicated the township is currently looking into updating the codebook utilizing available technologies, including both hard copy and electronic mediums.

A key component of the codebook is the administrative code. The code establishes the structure of the municipality's governmental structure as adopted by the governing body and has the authority of law. The team has made numerous observations throughout this report regarding the lack of unity between departments and functions, as reflected in the administrative code and township practice. The administrative code, and supporting ordinances and charter, should be reviewed immediately to rectify the conflicts and inconsistencies.

### **Recommendations:**

**The team recommends the township immediately study the ordinances, administrative code, functional operation and recommendations contained in this report to determine the appropriate organizational structure. A committee headed by the business administrator, and consisting of the clerk, solicitor, and representatives of the governing body, including the mayor, should be created to formulate the restructuring, which must be adopted by council.**

**The team further recommends that codification vendors be contacted for proposals for converting to a state-of-the-art codification system, which would include paper code book updates, the full book in a computer based software program, and a quarterly update service. The computer version is a searchable database that is very user-friendly to employees and the public. Such a system will save a great deal of staff time currently spent searching through old ordinances and, also avoid looking at an ordinance in the code book that may have been updated but not posted in the book yet. The computer version could be integrated into the website to make it more convenient and accessible for taxpayers. Ideally, this would be accomplished incorporating the organizational changes discussed above to save duplication expense.**

**One-time Value Added Expense (Update Book Only): \$5,000**

**One-time Value Added Expense (additional cost for electronic platform): \$11,425**

### **Registrar of Vital Statistics**

According to New Jersey Statutes Annotated (N.J.S.A.) 40A:9-133 (e)(5) “the *municipal clerk* shall serve as the administrative officer responsible for the acceptance of applications for licenses and permits, except where statute or municipal ordinance has delegated that responsibility to some other municipal officer.” The township's administrative code (2-4.2 (g)) includes in the duties of the clerk's office to “issue licenses and be registrar of vital statistics.” It was reported

to the team that these functions were performed in the clerk's office several years ago but the function and one staff were transferred to the department of licensing and inspections in an effort to coordinate staff.

As mentioned in the department of health and welfare section of this report, the team found two clerical support staff and the director of licensing and inspections performing typical registrar duties. Upon further review, the team did not find enabling legislation for this change. Vital statistics includes the preparation and certification of original birth, death, marriage and burial certificates and permits. It also includes the issuance of marriage licenses and providing official copies of the documents, upon request. In 1999, vital statistics accounted for 4,813 transactions and generated \$20,967 in revenue. It is noted that the two full-time clerical support staff perform other duties within the licensing and inspections department.

### **Recommendation:**

**The team recommends the licensing and vital statistics functions be transferred back to the clerk's office, along with one of the clerical positions. We also recommend the deputy township clerk be designated as the registrar of vital statistics for functional supervision. However, the transfer of the additional responsibility and staff position should not happen until the clerk's office staff adequately addresses the concerns outlined in this section.**

### **Records Maintenance**

By statute, the clerk's office is also the official depository of public records. During the review, the team found instances of poor record keeping. For example, updated insurance policies were not available and township vehicle titles are in disarray. There are 161 vehicles listed on the insurance policy. Ninety-six vehicles on the list match with titles on file in the clerk's office, 65 vehicles on the list have no matching titles and 56 titles on file have no matching vehicle on the list. Further investigation revealed there was no set procedure in place to ensure the clerk's records were accurate. As a result, the official records are inaccurate and could, if challenged, potentially result in a denial of coverage and, subsequently, an unnecessary cost to the township.

### **Recommendation:**

**The township clerk should immediately review and update the vehicle title and insurance records. Furthermore, the clerk and deputy clerk should be given formal training on proper records management techniques and begin the process of putting together a plan for future records management for the township.**

### **Mercantile Licenses**

A business license requirement (mercantile license) provides a municipality with a method for cataloging businesses, vital contact and owner information in the case of an emergency, property use and potential hazardous material storage information; and the ability to track when a commercial property changes use or function. This is particularly important in a municipality that has a significant number of large and small businesses. Businesses, particularly smaller businesses, tend to open, close, change use or relocate with a great deal of frequency. Many of

those factors, by state statute, trigger the need for inspections to ensure the public is safe when on the business premises. In addition, having vital information is useful for public safety and emergency service personnel in the case of emergencies.

Recognizing the need for such a registration program, the governing body passed an ordinance in 1997 providing for licensing of businesses operating within the township. That ordinance was never enacted because there was never a second public hearing on the issue. However, it was reported to the team that there was a great deal of opposition from the business community. The team believes the concern for public and emergency response staff safety outweighs anti-regulation issues raised by the business community. Further, it was reported to the team that inspectors often have to discover change in business occupancies by happenstance during the course of other inspections, which reinforces the safety concerns.

Lacking a comprehensive listing of businesses, the team will use the number of initial inspections performed by fire district staff during 1999 (1,514) as a basis for estimation. District staff was able to identify 130 businesses that changed occupancy and possibly changed use during 1999.

The team reviewed the Mercantile License Fee Survey, prepared and distributed by the New Jersey League of Municipalities in 1997. The survey contains information regarding 54 respondent municipalities that charge a flat, annual mercantile fee. The statewide average fee is \$33 and the median fee is \$25.

### **Recommendations:**

**The team recommends the township enact an ordinance creating a merchant/professional registration requirement. The clerk's office and fire district staff are encouraged to work together in compiling a list of known businesses. The team recommends that there be a \$20 annual registration fee. Using the 1,514 registration figure and assuming a \$20 registration fee, the township would generate approximately \$30,280 to offset the cost of creating and maintaining the program and associated inspections on the part of township staff. The clerk's office should generate reports on a weekly basis for the construction office and fire district so that appropriate inspections can be performed. Also, read only and report-generating access to the database information should be given to the department of public safety and the fire district so that key information can be known in the case of an emergency.**

**Revenue Enhancement: \$30,280**

**To accomplish creation and tracking of the registration program, the team encourages clerk's office staff to utilize a database software package. There are applications currently on the township computers that are capable of handling this type of data tracking and necessary report generation. Further, the township is encouraged to recruit a current staff member to set up the software data sheets, which should only take a few hours, so that the clerk's office staff can begin data entry.**

## PROFESSIONAL SERVICES

The New Jersey Local Public Contracts Law (N.J.S.A. 40A:11-1 et. seq.) allows municipalities to award contracts for certain professional services without following the formal bid process. However, professional service contracts awarded without formal bidding must be awarded by a resolution of the governing body stating the reasons for such action.

Appendix A provides a full delineation of township expenditures on professional services for 1999. The chart summarizes those expenditures:

<b>1999 PROFESSIONAL SERVICES</b>	
Total Legal	\$174,397
Total Auditing	\$94,931
Total Engineering	\$300,277
Planner	\$30,070
<b>Grand Total</b>	<b>\$599,675</b>

While there exists no legal requirement to solicit proposals for these professional services, the Local Public Contracts Law (N.J.S.A. 40A:11-1 et. seq.) clearly encourages competition in awarding of the contract. Also, it is a prudent business practice because soliciting proposals establishes a market value of the professional service and gives an incentive to the professional service vendors to be competitive. The team found no evidence of solicitation of proposals for these professional services.

### **Recommendation:**

**The township should create an appropriate scope-of-work outline for each professional service and solicit proposals and fee schedules from firms with the desired skill and experience. The various proposals can then be reviewed for experience, qualifications, geographic proximity, cost and other related factors. The award can be made to the firm that submits the proposal, which best meets the township's needs, which may not necessarily be the firm that submits the lowest-cost proposal. The team anticipates that injecting an element of competition could result in an overall reduction in professional service expenditures by at least 5% of the \$599,675 cost in 1999.**

**Cost Savings: \$29,984**

It is also noteworthy that \$17,119 in professional services was spent for various legal and engineering matters without any authorizing resolution. No bills should be paid or services rendered unless the governing body first authorizes such action. Additionally, two of the engineers awarded by resolution (R-74-99, R-152-99, R-160-99 and R-195-99) were paid \$89,859 more than the amount permitted in the resolution.

**Recommendation:**

**The governing body should implement and circulate a policy to all department heads reminding them of the Local Public Contracts Law requirements and to reaffirm that no professional services are to be utilized until so authorized by a governing body resolution. The policy should further note that no employee or agent may incur any liability on behalf of the township, unless a duly authorized resolution is in place permitting it and the liability cannot exceed what was authorized in the resolution.**

**Township Solicitor**

Resolution R-12-99 fixes the salaries of certain appointed and elective officers including the Director, Department of Law (solicitor) position. The total position value for the director position was \$115,841, which includes salary, statutory payments and benefits. There is no desk, office or other work area for the director in the municipal building, nor does the director keep regular hours in the municipal building. There is no job description or other document that outlines what duties and/or responsibilities are expected in return for the \$96,060 salary. The director performs duties normally expected of a township solicitor including attending meetings, conducting telephone consults, and reviewing and preparing legal documents.

In addition to his annual salary, this employee was also appointed by Resolution R-66-99 to perform legal services not included in the annual salary, at a rate of \$100 per hour. It was difficult for the team to determine what was and was not within the scope of the annual salary since it was not outlined in any of the documents provided. However, pay records show that \$7,751 was paid for legal services rendered under R-66-99. Hence, the combination of position value (which includes salary, benefits and statutory payments) and the “extra” legal services cost the township a total \$123,592 in 1999.

<b>Total Paid to Director of Law</b>	
Salary	\$96,060
Statutory Payments & Benefits	\$19,781
R-66-99	\$7,751
<b>1999 Total</b>	<b>\$123,592</b>

There may be an opportunity for savings if the position were to be restructured from salaried employee to an hourly professional service contract. If the rate charged in R-66-99 was expanded to cover all solicitor duties then the township would have been able to buy 1,236 hours of legal services (\$123,592 divided by \$100 per hour). This is an average of about 24 hours per week. Although there were no time records provided to the team, it does not appear there is enough general solicitor duties to warrant 24 hours per week for 52 weeks.

**Recommendation:**

**The team recommends the township convert from a salaried employee to professional service contract for general solicitor duties. In so doing, the township should require the solicitor submit a monthly invoice of hours worked and for what purpose. The hourly rate**

should be the same as the current contract of \$100 per hour and the maximum payment should be capped at the 1999 director of law's salary (\$96,060) plus the solicitor's contract (\$7,751) for a total of \$103,811. By converting to a professional service contract, the township will save at least the cost of statutory payments and benefits.

**Cost Savings: \$19,781**

## **DEPARTMENT OF FINANCE AND ADMINISTRATION**

### **Function/Organization**

Washington Township's Administrative Code 2-6 establishes and defines the Department of Finance and Administration and places a business administrator as head of the department. The functional responsibilities of the department include personnel, grants and aids, insurance, data processing (technology), purchasing, administrative services, employee safety, tax collection, treasury and budget.

At the time of the review, the department, and its various divisions, had 10 full-time staff positions and one part-time employee, as shown in Appendix B.

### **ADMINISTRATION**

The business administrator is the head of the department and responsible for the functions outlined above. This position has been vacant since July 1, 1999. Currently, the duties are partially performed by the mayor, personnel director and CFO. Prior to the July, 1999 vacancy, the CFO and business administrator positions were combined. Since that time, a staff member has been promoted to CFO and the business administrator position has again been separated.

While staff is commended for assuming additional responsibilities in the absence of a business administrator, the team found that the vacancy resulted in a fragmentation of responsibilities and often work was done late or not at all. An example is the late introduction of the 2000 municipal budget. The law requires the budget to be introduced by February 10<sup>th</sup>; the budget in Washington was introduced on April 27<sup>th</sup>.

In general, the team found the vacancy caused a vacuum in day to day operational direction and management. Even in a strong mayor form of government, it should not be left to the mayor to perform day to day management of department heads. Rather, the mayor should be involved in policy development and the business administrator should be responsible for the implementation of those directives.

The mayor and council unanimously agreed at their April 11<sup>th</sup> meeting that a business administrator position is necessary and should be funded in the 2000 budget. The team supports that acknowledgement and encourages the mayor and council to fill the position with expediency.

**Recommendation:**

The team recommends the township move quickly to fill the business administrator position. The township should undergo an open, advertised search in order to hire a professional, qualified business administrator to run the day to day operations of the township. A professional business administrator would be able to keep the budget process intact and improve management and coordination among the various department heads.

During the review, the team heard several department heads mention that there are no regularly scheduled staff meetings.

**Recommendation:**

The team recommends there be routinely scheduled staff meetings so that senior staff can exchange ideas, provide insight into policy development, discuss any potential problems and identify areas of duplication. All department heads should be included in the meeting, including the fire district chief and library director.

**Budget**Budget Growth

While the municipal tax rate has only increased by only 5.2 cents (about 9 %) in the last five years, the township's general appropriations have increased 20% over the same time period, as reflected in the following table:

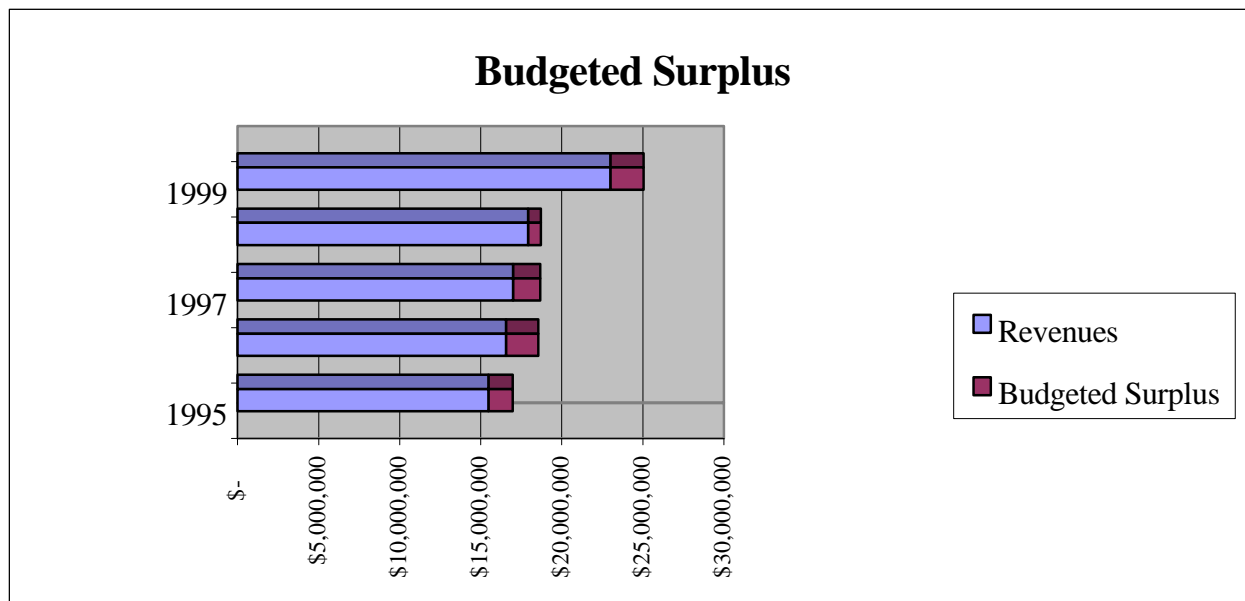
	<b>Municipal Tax Rate (local and trash)</b>	<b>General Appropriations</b>
1995	0.571	\$15,475,790.28
1996	0.571	\$16,548,937.37
1997	0.663	\$16,995,691.69
1998	0.662	\$17,904,141.00
1999	0.622	\$18,658,612.58
5 Year Increase	\$0.051	\$3,182,822.30
	8.93%	20.57%
1) Subtracts the difference between 1998 special district taxes (trash and fire districts) and 1998 special district taxes (just fire district) from the 1999 township budget.		

In an effort to provide comparative data and in light of the garbage district being dissolved and the functions being assumed by the municipality, the team has subtracted the difference in the special district taxes from 1998 and 1999.

The reason that a 20% increase in appropriation could be funded by only a 5.2-cent tax increase is the township has enjoyed a growing stream of tax revenues resulting from tremendous amounts of construction activity. The total assessed property value in Washington increased by about \$158 million over the same five-year period.

In effect, the increase in ratables has provided the township with a growing base of property tax income while providing for a generally stable tax rate. Property owners are not paying more for the service; there are more property owners among which to divide the cost of the township's operations. As development begins to slow, the township, as will all other entities reliant on property taxes in the township, will find their revenue generated through taxes stabilizing. The governing body will be challenged to figure out how they can continue to provide the services the residents expect without significantly raising taxes.

The increase in ratables has also resulted in a significant amount of surplus for the municipality. The following chart shows surplus as a percentage of the budget for the same five-year period:



The use of surplus, which ranged from 5% in 1998 to 12% in 1996, also is indicative of the increase in valuations resulting in increased revenues.

### Process

By the township code, the mayor is required to prepare the municipal budget with the assistance of the business administrator. Absent a business administrator, the CFO, in November of 1999, distributed a memorandum to all departments requesting they review existing allocations. They were instructed to notify the mayor, in writing, indicating any changes they thought necessary. The mayor would then determine if the request is appropriate for budgetary inclusion. The proposed budget, with supporting documentation, was then submitted to council and made available to the public.



The team reviewed the supporting documentation and found it to be very detailed and complete. The team commends the township and applauds this level of public disclosure, although we noted that the document could be enhanced to include the actual expenditures from the prior year.

An important source of information for LGBR when performing a review is the municipal budget. Ideally, the budget will show salary and wages and other expenses by function (department and division, board, commission, expenditure category, etc.) and functional areas would match organizational charts. However, it was not possible to determine, from the township's budget, how much was allocated by function. An example is the appropriations for municipal support services. There is one salary and wage line for the entire department and other expenses for some of the functions. There was no information relating to parks and recreation, which, based on the team's review, was a substantial portion of the department's responsibilities. Budgets are planning tools. Prepared as such, the township officials and the public would have a valuable tool in determining the cost of various operations and appropriate action. Further, the team was unable to match the budget against payroll records.

#### **Recommendation:**

**The budget is an important planning tool. Accurately reflecting the cost of each operation is essential in determining efficiency. The team recommends the township endeavor to complete the annual budget so that it accurately projects the cost of each operation. The team recommends the budget process be restructured to include appropriations by function, and to formalize dates, justification procedures, program narratives and include departmental budget hearings. Since council has the authority to reduce a proposed budget item with a majority vote, the team suggests the establishment of a budget committee, wherein the mayor and/or business administrator has the opportunity to review the budgetary requests with members of council prior to the budget being introduced. This would afford the council opportunity for input prior to formal introduction, speed up the process, and establish the budget as a planning and management tool.**

#### **Debt Service**

The township has an AAA bond rating. The local bond law establishes the debt ceiling for New Jersey municipalities at 3½% of the equalized valuation basis. As of December 31, 1999, the township's net debt was \$34,917,269 or 1.62% of the equalized valuation basis. Therefore, the township's net debt is approximately half (46%) of its maximum allowable. Comparing 1999 to 1998, the team finds a reduction in net debt of \$1,091,418.39 or .09% of equalized valuation basis. Further review reveals that \$12,090,000 of the 1999 net debt is temporary and, according to statute, needs to be retired or permanently financed by 2003.

#### **Recommendation:**

**The team recommends the temporary debt be structured and retired according to the current debt-financing schedule, thereby, minimizing impact to the taxpayer.**

## **Escrow**

The escrow office has two primary functions: accounts payable and purchasing. In addition, the escrow clerk maintains and processes the developer escrow account. The developer escrow account is a mechanism wherein developers deposit funds to cover the cost of plan reviews and inspections. Associated costs are charged against the individual projects generating payments to the planning board's professional consultants and the township's inspection operation. If an individual developer account does not have sufficient funds to cover costs, notices are generated for additional deposits. At project close out, unexpended funds are refunded to the developer. In 1999, this accounted for 1,512 purchase requisitions/orders. The escrow clerk also processes purchasing requests for the parks and recreation staff. In 1999, this accounted for 1,938 purchase requisitions/orders. It was the team's observation that the planning staff would be able to track the deposits and charges against the escrow account, with account reconciliation being performed by the CFO, as recommended in the cash management discussion below.

## **Recommendation:**

**The team recommends the escrow staff position be eliminated and the tracking of the escrow account be returned to the planning staff. The team further recommends escrow payments and parks and recreation purchasing be transferred to purchasing, which is discussed below. The savings would be the position value of the one full-time escrow processing staff position.**

**Cost Savings: \$31,364**

## **CASH MANAGEMENT**

The team performed an analysis of the township's cash balances. The primary purpose was to determine if the current cash management practices result in the most effective return measured against generally accepted benchmarks.

As required by statute, the township has a formal cash management plan in place. The plan specifies the procedures for designating depositories, depositing of funds and the structure of the bank accounts. It describes allowable investment vehicles, requires cash flow analysis and establishes the petty cash fund.

According to the CFO and supporting documentation, the township maintains its primary banking relationship with a local branch of a regional bank. The township also maintains a few small accounts at another regional bank with a branch in the area. Management of the primary accounts is provided by the CFO. The court administrator manages the municipal court accounts, while the township clerk manages petty cash. With the exception of \$200,000 maintained in the payroll account at the primary bank, the township is not paying any fees for banking services. This was confirmed by the CFO.

Zero-based accounts are accounts that track and chart deposits and disbursements without carrying any balance. Except for statutory trust accounts and a few dedicated funds, such as the township parks and recreation fund, all of the township accounts are zero-based, clearing

deposits on a daily basis to one of two interest bearing investment accounts. The interest rates of the trusts, dedicated accounts and investment accounts are somewhat comparable to the 91-Day Treasury Bill (T-Bill). In some cases, rates exceeded the T-Bill, while in others it did not.

The township does invest funds independently of those accounts. Other allowable investment vehicles for the municipality would include the New Jersey Cash Management Fund (NJCMF), a public funds investment function of the New Jersey Department of Treasury, certain certificates of deposit and T-Bills. Each of those vehicles would be an investment tool for idle funds, but does not provide bank services such as check processing.

The team performed an analysis of the various operating bank accounts. Our analysis compares the interest actually earned by the township from January 1, 1999 through December 31, 1999 to the earnings that would have been achieved in the NJCMF and the T-Bill. The analysis was complicated because the township has not taken advantage of a common banking service called an account analysis. The account analysis, if requested, is provided with each month's bank statement. It shows the various charges, compensating balances, and average daily balances. Accordingly, without an account analysis, we used the month-ending balances from the statements to determine monthly average available balance. This method is not as accurate as an average daily balance in computing potential earnings.

The team's analysis shows that, had the available monthly balances (ranging from \$8,285,532 to \$16,676,836, with an average monthly balance of \$12,739,259) been invested in the NJCMF or T-Bill, the township could have earned an additional \$42,834 and \$12,990. Recognizing the need for a certain level of liquidity, the team is conservatively estimating that 75% of the additional interest income could have been realized.

	<b>Actual</b>	<b>Potential</b>	<b>Net Increase</b>
\$586,304		0	0
NJCMF		\$629,128	\$42,834
91-Day T-Bill		\$599,294	\$12,990

#### **Recommendation:**

**We recommend the CFO request each bank to provide a monthly account analysis, establish an investment program consistent with the cash flow analysis, and competitively invest all balances in excess of those required for liquidity purposes.**

**Revenue Enhancement: \$32,126**

It appeared to the team that account reconciliation was timely and consistent. However, the team believes the management of all accounts should be centralized under the CFO's office.

**Recommendation:**

**The team recommends the CFO become primarily responsible for all township accounts. Coordination of the accounts under this office would allow the township to develop a more effective investment strategy.**

The township has an effective relationship with the primary bank. The previously mentioned \$200,000 compensating balance, reduced from \$375,000 in 1997, is offsetting projected fees at an effective level. The relationship is reduced to writing but has not been modified since 1995. This may leave any adjusted areas subject to interpretation and potential conflict. Further, it appears that requests for bids for banking services have not been circulated, either formally or informally, for the past five years.

**Recommendation:**

**The team recommends the township update its written banking relationship to include a description of services, projected fees and the level of compensating balance. We also recommend the township test the marketplace, minimally every two years, to ensure that the banking service provided is the best available at the most reasonable cost.**

**INSURANCE****Property and Casualty**

The township has adopted a plan of self-insurance for commercial property, boiler and machinery, surety bond, public official liability, general liability and automobile liability insurance. In addition, the township purchases a commercial “umbrella policy” for claims in excess of \$200,000 for any one occurrence. A Third Party Administrator (TPA) processes claims filed against the property and casualty and workers’ compensation self-insurance coverage. The team was unable to obtain any verification that bids, informal or formal, had been solicited to determine if self-insurance was the most cost-effective method for insurance coverage chosen, or that the TPA administrative fee is appropriate.

Prior to the time of our review, oversight of insurance was a function of the business administrator’s office. In the absence of a business administrator, the CFO performs the oversight function. The township attorney reviews and represents the township in claims and the council approves payments of claims.

The team produced the following cost overview of the township’s 1999 property and casualty insurance coverage, based on supporting documentation obtained from the CFO:

<b>Type of Coverage</b>	<b>Cost of Coverage</b>
Property	\$33,658
Commercial Excess Liability	\$122,286
Public Officials Excess Liability	\$43,041
Commercial Automobile	\$61,010
Boiler & Machinery	\$3,837
Police Professional	\$36,393
Loss Control Fees	\$17,900
Third Party Administrator Fees	\$59,000
All Other	\$2,764
<b>Total Costs</b>	<b>\$379,889</b>

By comparison, the township appropriated a total of \$357,053 or \$22,836 less for the same coverage in 1998, indicating an increase of 6% in 1999.

### **Recommendation:**

**The team strongly recommends the township undergoes a comprehensive review of its property and casualty insurance needs. This can be accomplished at no cost to the taxpayers by the establishment of an insurance review committee. These committees, generally comprised of five to seven volunteers from the insurance industry who are residents of the municipality, review insurance needs, coverage and market prices to determine whether the municipality is appropriately insured in the most cost effective manner. Members of the committee should not have an interest in selling insurance to the municipality. It is also recommended that the township work in conjunction with the fire district and any other local entity interested in participating, in creating the committee.**

### **Workers' Compensation**

The township has also adopted a plan of self-insurance for workers' compensation insurance. The township appropriation to fund this plan was \$100,000 in both 1999 and 1998.

The bargaining unit contracts currently in effect require 100% wage reimbursement for the first year, regardless of the staff member's salary. The payments begin from the first day of missed work for any employee who is unable to perform their duties due to a work-related injury or illness. Current state guidelines set, as a minimum wage payment, 70% salary reimbursement beginning at the eighth day of missed work, capped at a maximum of \$539 per week. The team notes that the Washington Township Fire District has adopted a plan that closely mirrors the state guidelines for workers' compensation benefits. Further details of the district's plan are found in the fire district and the best practices sections of this report.

The following is a summary, by department, of the salary portion of workers' compensation claims during calendar year 1999, compared to what the payments would have been if the state minimums were adopted:

Department	Total Days Lost Work	Claims	100% Salary	Salary Reimbursed if Capped at \$539 per Week	Savings if Paid 70% to State Cap of \$539	Savings if Not Paid Out for 1-7 Days	Cost If State Standard Adopted
Municipal Services	36	3	\$4,831	\$3,867	\$964	\$682	\$3,342
Police	408	5	\$88,660	\$43,982	\$44,678	\$888	\$43,874
<b>Totals</b>	444	8	\$93,491	\$47,849	\$45,642	\$1,570	\$47,216

#### **Recommendation:**

The township could, by adopting the state guidelines of 70% salary payment beginning at the eighth day of missed work, maximum of \$539 per week, save \$46,275 or 49.5% over the full salary reimbursement costs incurred during 1999. These savings are calculated by subtracting the state standard costs of \$47,216 from the 1999 salary cost of \$93,491. The team notes that the \$539 will increase to \$568 in 2000; however, employee salaries will also increase. The team recommends the township should negotiate the state's requirements into its employment contracts.

**Potential Cost Savings: \$46,275**

As with property and casualty insurance, there were no records supplied to the team that indicated the workers' compensation self-insurance plan had been evaluated against other marketplace arrangements, such as joint insurance funds.

#### **Recommendation:**

The township is encouraged to undergo the same type of comprehensive analysis of its workers' compensation self-insurance plan as it should for property and casualty insurance. The process should also include soliciting bids for insurance coverage and benchmarking costs and service requirements against participation in a joint insurance fund.

During the fourth quarter of 1999, the township, in conjunction with the appointment of an independent risk manager, began development and implementation of a risk management plan. This included the formation of a safety committee, identification of key risks, and development of a plan to mitigate those risks. The risk manager provided, and the safety committee distributed, materials relating to avoidance of work place injuries. In addition, each department head is provided with written information regarding how to avoid injuries and what to do in the event an employee should become injured.

It is appropriate for the township to take the steps necessary to make the workplace safer for employees. In general, improving workplace safety, combined with regular insurance program pricing evaluations, are the best mechanisms for controlling and/or reducing insurance costs, as discussed in the fire district insurance section.

### Claims Administration

As previously mentioned, the township contracts with a TPA to process property and casualty and workers' compensation claims. The TPA compensation, which is contracted annually, was a flat administrative fee of \$59,000 in 1999. It appears, based on the total claims paid in 1999 (\$221,456) and the TPA fee of \$59,000, that the township paid approximately 21% of its total related expenses toward the administrative fee.

The team compiled claim activity from 1996 through 1999 from information provided by the TPA to the township CFO as follows:

Year	Workers' Compensation Medical Only	Workers' Compensation Lost Wages	Property/Casualty General Liability	Property/Casualty Commercial Automobile Liability	Total
1999	26	8	5	0	39
1998	26	7	1	1	35
1997	20	12	5	4	41
1996	28	14	1	1	44
<b>Total</b>	<b>100</b>	<b>41</b>	<b>12</b>	<b>6</b>	<b>159</b>

Based on LGBR experiences in other municipalities and discussions with insurance professionals, the team concluded the annual TPA fee of \$59,000 is unusually high for so limited a number of claims. The team was provided with an estimated administrative fee from a disinterested TPA of about \$15,000.

### Recommendation:

**The team recommends the township evaluate the costs associated with the TPA contract as part of the overall review of its insurance plans. The team believes that the cost would have been about \$15,000 or \$44,000 less than the 1999 experience, if bids had been solicited for TPA services.**

**Cost Savings: \$44,000**

### Health and Prescription Insurance

The township purchases health insurance, in the form of Health Maintenance Organization (HMO) coverage, and prescription coverage through a broker. The fire district and library employees are also covered under the township's policies. However, both entities reimburse the township for the cost of coverage.

Each of the township's bargaining unit agreements address medical insurance coverage eligibility but, generally, all employees working 32 hours per week or over are covered. Also, the level of coverage is addressed differently in each contract; however, all require the municipality to provide health coverage to, at least, the level of a specific health benefits program. The most common reference is "the benefit level of the 1991 New Jersey State Health Program Blue Cross/Blue Shield with Rider J and U.S. Health Care/HMO NJ."

A review of the health insurance billing reveals that all of the council members, the mayor, the judge and the prosecutor receive health care benefits, although none of them work for the township on a full-time basis. The 1999 cost for providing insurance to these eight was approximately \$62,379.

**Recommendation:**

**Although state statute permits elected officials to participate in the municipality's health benefits program, it is recommended the township governing body voluntarily decline receipt of health benefits to ensure that they receive the same benefits provided other part-time employees. Similarly, the township council should reconsider the applicability of providing health coverage to other, less than full-time, employees.**

**Cost Savings: \$62,379**

The township paid about \$1,618,000 for group health insurance costs in 1999 (\$1,082,000 for health insurance, \$392,000 prescription and \$144,000 for dental insurance). By comparison, the township has budgeted approximately \$1,747,000, or \$129,000 more, for this coverage in the year 2000 budget.

In preparation for the 2000 renewal cycle, the broker provided the township with a cost analysis of renewing the township's ongoing coverage versus the cost of obtaining coverage under the State Health Benefits Program (SHBP). The SHBP, which is the health plan coverage for all state employees, is administered through the New Jersey Department of Treasury and is available to eligible local governmental units. Typically, LGBR utilizes the SHBP coverage cost to measure the cost effectiveness of other health insurance plans purchased outside of the SHBP.

The team performed an analysis of the cost under the current program against various plans under the SHBP, including NJPLUS (the SHBP base plan), traditional coverage (which closely ties to the current plan X), and HMO coverage provided by the carrier currently covering the township employees. The team utilized the SHBP cost that includes prescription coverage. The number of subscribers per plan reflects the distribution of employees on the December, 1999 monthly health insurance bill, excluding library and fire district employees. The cost to the taxpayers to insure employees under the current plan is between \$165,359 and \$462,280, more expensive than the SHBP as follows:



<b>Plan/ Coverage</b>	<b>Subscribers</b>	<b>Annual USHC Cost with Current Provider</b>	<b>Annual Cost Savings, Current vs. NJPLUS (SHBP)</b>	<b>Annual Cost Savings, Current vs. "Trad." (SHBP)</b>	<b>Annual Cost Savings, Current vs. USHC (SHBP)</b>
US Healthcare: Plan X					
Single	9	\$36,047	\$12,618	\$5,687	\$7,561
H/W	26	\$222,877	\$72,234	\$32,476	\$44,366
Family	31	\$312,145	\$103,163	\$46,478	\$71,640
P/C	1	\$6,154	\$2,310	\$1,246	\$1,767
	<b>67</b>	<b>\$577,223</b>	<b>\$190,325</b>	<b>\$85,887</b>	<b>\$125,334</b>
US Healthcare: Plan V					
Single	17	\$61,133	\$16,877	\$3,786	\$7,326
H/W	37	\$284,315	\$69,939	\$13,360	\$30,281
Family	66	\$626,630	\$181,701	\$61,016	\$114,587
P/C	2	\$11,127	\$3,439	\$1,311	\$2,352
	<b>122</b>	<b>\$983,205</b>	<b>\$271,955</b>	<b>\$79,473</b>	<b>\$154,545</b>
	<b>189</b>	<b>\$1,560,429</b>	<b>\$462,280</b>	<b>\$165,359</b>	<b>\$279,879</b>

By purchasing the coverage directly from the SHBP, the township would realize a \$279,879 savings (or approximately \$.0125 on the tax rate) if all employees participated in the plan provided by the same carrier currently being utilized by the township. Alternatively, if the X plan closely mirrors the state traditional plan and the V plan mirrors the HMO plan, as reported to the team, and if the subscriber distribution remains static, the township would save approximately \$240,432 in health and prescription coverage by utilizing the SHBP.

### **Recommendation:**

**The team recommends that the township pursue utilizing the SHBP. In estimating cost savings, the team is assuming static distribution, as discussed above.**

**Cost Savings: \$240,432**

**The team further recommends the township endeavor to negotiate a change in the language in the bargaining unit contract to, at a minimum, provide health insurance at a level equal to the SHBP. The team is estimating this savings to be the difference in savings between the current USHC and prescription coverage (\$240,432) and NJPLUS (462,280). So not to overstate the potential additional savings, the team will assume 50% of the employees will elect NJPLUS coverage.**

**Potential Cost Savings: \$100,924**

### **Dental Plan**

The township provides its employees with dental plan coverage, which cost about \$144,000 in 1999. The State of New Jersey currently requires its employees to participate in premium co-pay of 50% of a plan's costs. If the township were to negotiate this with its employees, the township would save its taxpayers about \$72,000 per year.

**Recommendation:**

**The township should endeavor to negotiate the State of New Jersey co-payment standard into employee contracts. This would result in about \$72,000 in savings to taxpayers.**

**Potential Cost Savings: \$72,000**

**PAYROLL**

The township processes payroll in-house. The team noted staff is required to “punch-in” upon arrival and departure using a computerized time clock. However, according to staff, the payroll records are manually tracked and processed rather than interfacing the time clocks with appropriate payroll system software.

Currently, the staff accountant responsible for processing payroll spends about 65% of his time on this function. The staff accountant was a new hire in 1999. Therefore, the team is estimating the 1999 annual position value at \$40,000. Assuming \$40,000 and 65% of the time is spent on the task, the staff cost to the township for payroll processing is about \$26,000. There are approximately 290 biweekly paychecks; therefore, the current cost per check is \$3.45, which is significantly higher than the LGBR benchmark of \$1.50 per check. If the township were to outsource payroll processing at \$1.50 per check, the cost would be about \$11,310, representing a savings of \$14,690.

The staff accountant expends the remaining 35% of his time on bank reconciliation, pension reporting, employee time records, employment verifications, and accounting for the volunteer fire and emergency management functions.

**Recommendation:**

**The team recommends the payroll function be outsourced and the staff accountant position be eliminated. Further, in outsourcing the function, the township should take advantage of the time clock technology and attempt to utilize a vendor that can interface with the clocks rather than require manual processing, thereby, avoiding additional costs. Employment verifications should be transferred to the business administrator and the other functions of the staff accountant position are negated in other sections of this report. The cost saving to the township is the staff position value (\$40,000) minus the estimated cost of the payroll outsourcing.**

**Cost Savings: \$28,790**

**PERSONNEL**

The township is not a civil service community. An examination of the personnel files indicated records were up to date and reflected such information as date of hire, title tracking, pay tracking, time records, personal information and employment history information. The team performed a record-keeping test by selecting four employees’ records at random and requested terminal pay

for the various types of separation from service. The information was readily available and our request was complied with in an expeditious fashion. However, police personnel files and employee information is maintained by the police department staff and kept separately from the central personnel files. The township had adopted a comprehensive personnel manual in July, 1998, that was updated in 1999 when two policies were revised. The township also has job descriptions; however, they appear to be old and outdated.

**We commend the township for having a comprehensive personnel manual that is annually reviewed and updated as needed. We further commend the township for the centralized personnel system and the ability to quickly disseminate employee information.**

**Recommendation:**

**The team recommends the township update the job descriptions to reflect modern workplace regulations and newly enacted legislation and that police personnel files be transferred to central record keeping. Understanding that sensitivity is of concern in the keeping of police staff personnel files, the team recommends that information regarding internal affairs or confidential assignment information continue to be maintained by the police department staff. At a minimum, certified time records of each officer should be maintained centrally.**

The township has an anti-nepotism ordinance, adopted in 1995, which prohibits accepting employment applications from any “family members” of elected officials. The term “family members” is clearly defined. It appeared to the team, that since adoption, the township has followed this ordinance, which is helping to alleviate the perception of impropriety in hiring practices.

**The governing body is commended for adopting and complying with the anti-nepotism ordinance.**

**PURCHASING**

The township staff manually numbers purchase orders. The New Jersey “Municipal Finance Administration” manual specifies local entities use “sequentially numbered multiple copy purchase order forms.”

**Recommendation:**

**The team recommends the township use pre-numbered purchase orders in accordance with the Municipal Finance Manual.**

The “Permanent Budget Manual for New Jersey Municipalities,” promulgated by the Local Finance Board, discusses the concept of central purchasing control. This refers to a purchasing authority, designated by the governing body, responsible for coordinating all purchasing activity. The inherent benefit of such a centralized purchasing authority is the agency can take advantage

of volume discounts, eliminate duplicity and act as the safeguard by preventing a department head from inadvertently buying something that may not be the “best” deal or from unintentionally circumventing the Local Public Contracts Law.

The township’s current purchasing function is not centralized. The CFO processes requisitions/purchase orders for capital budget purchases, the escrow agent processes escrow and parks/recreation requisitions and the treasurer processes other current fund requisitions. There were 6,070 requisitions/orders processed in 1999. Because each of those staff members work 32 hour, four-day workweeks, the maximum number of days they were processing requisitions/purchase orders was 208. This equates to an average of 30 purchase orders transactions per workday, which is noticeably excessive. The large number of transactions indicates a lack of planning and is highly inefficient.

The team noted the township generates a purchase requisition and subsequent purchase order for every transaction, including payments for a particular vendor, professional consultants and reductions of master contracts awarded through the public bidding process. It appears staff utilize this practice even though purchase orders are routinely combined into one check.

In addition to current fund purchasing, the treasurer performs infrequent signatory duties and receives a \$2,000 stipend for that function.

#### **Recommendation:**

**The team recommends the township consolidate all purchasing functions under the business administrator, with processing assistance from the clerk. Further, since the township now has a full-time CFO, the duties of the treasurer and the \$2,000 stipend should be incorporated into the CFO position, such that the CFO is handling all of the municipal finance duties. Ideally, the township would require the business administrator to hold or obtain a Qualified Purchasing Agent (QPA) certification so that it could take advantage of the recent changes in the Local Public Contracts Law, which allows entities greater latitude in purchasing. The team has also recommended the fire district enter into a shared service with the township to utilize the services of the QPA in order to take advantage of the changes. The library may also want to utilize the services of the QPA.**

**In addition to staff savings to be obtained through eliminating the treasurer position, there will be savings by removing other township employees from the purchasing process and through volume purchasing.**

**Cost Savings: \$34,539**

Understanding that the CFO has many and varied responsibilities, the team is recommending that a clerk II position be created to report directly to the CFO. The staff member can perform clerical support type of duties, including residual payroll processing and escrow functions, reconciliation of accounts, as appropriate, and assisting with account management. To estimate approximate staff costs, the team is using the position value of the clerk II who reports to the business administrator.

## **Recommendation:**

**The team recommends that a clerk II position be created to support the CFO functions.**

**Value Added Expense: \$30,040**

In summary, the team has prepared a proposed organizational chart, which can be found in Appendix B.

## **TAX COLLECTION**

During FY99, four full-time staff and a part-time tax collector staffed the office. Full-time staff includes a clerk/assistant tax collector, secretary and two clerk II. The township utilizes the services of a part-time tax collector while the assistant collector is in the process of becoming certified. Division staff is responsible for collecting taxes assessed for the school district, fire district, county and municipality.

The combined position value for the division was \$153,016. Included in that amount is \$10,345 paid to the tax collector.

An efficient workload ratio identified in previous LGBR reports is between 3,000 to 3,300 tax lines per staff person. For purposes of this analysis, we will count the part-time collector as one quarter of a FTE, making a total of 4.25 FTE. The township has approximately 16,050 tax line items. The ratio for the township, therefore, based on 4.25 FTE, is approximately 3,776, which means that the staff is achieving higher than the benchmark.

The following table shows the tax collection rate for 1995-1999.

	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>
Collection Rate	97.42%	97.48%	97.06%	97.57%	97.62%

Another benchmark utilized by LGBR is a target collection rate of at least 95%. As evident in the table, the township has a fairly stable collection rate that exceeds the standard.

**The tax collection staff is commended for achieving a consistently high collection rate.**

The team spoke with the assistant collector regarding the office operations. The assistant noted that they could use additional staff to do more of the record keeping type of activities. However, based on our workload analysis, we believe this department is appropriately staffed.

## **TECHNOLOGY**

Technology provides local government administrators with numerous opportunities for savings, including improved productivity and staffing realignments. Without proper planning and

coordination, technology may become a costly reoccurring expense. The goal of technology should be to promote an efficient and effective organization while limiting the impact on resources.

### **Technology Plan**

The township did not have a formal technology plan in place at the time of our review. Technology plans provide budgeting information for township management, elected officials, and the public, and lays out the current and projected needs of the organization. The absence of a formal technology plan exposes the township to the risk that ineffective and inefficient technology acquisition decisions may be made at significant cost to the taxpayers.

The lack of a plan was a contributing factor in many of the team's observations in regard to planning, acquisition and standardization of computer hardware and software.

The team observed an example of the need for Information System (IS) planning within the township related to the much-publicized Y2K issue. During 1999, the township retained the services of an IS sales and service firm to assist in becoming Y2K ready. The agreement, which was obtained in August, 1999, cost the township \$77,630 (\$40,286 hardware, \$2,983 software, and \$34,361 for installation and programming).

A thorough technology plan would include at a minimum:

- How the township is organized;
- What resources are available and what resources and capabilities are needed;
- Who is responsible for plan implementation and who needs access to what resources;
- When the desired resources and capabilities are to be acquired and implemented;
- Who will be trained and how they will be trained;
- How much implementation will cost;
- How frequently the plan is to be updated to stay current with the ongoing technological advances;
- Who is responsible for maintaining the updated plan;
- Three to five year budget projections; and
- Policies governing the use of technology.

### **Recommendation:**

**The team recommends the township develop a technology plan that includes at least the items discussed above. The mayor and council should review the plan, and once approved, budget the funds necessary for implementation in accordance with the projected timelines. Progress regarding the implementation should be closely monitored.**

In order for the technology plan to address current as well as future needs, representatives of each department should be requested to provide an assessment of needs. The assessment should

include the usefulness of current technology, what would make the staff more efficient in performing their functions, and specifics regarding what is and is not working with the current technology.

The township has an employee technology team consisting of the mayor, the assistant to the mayor, and the CFO. The team reviews recommendations of the technology consultant and proposed hardware/software solutions. However, it appears that the team is reactive to the suggestions of the consultant rather than proactive in identifying specific needs and solutions to technology issues and must rely on the advice of paid consultants.

A technology committee would consist of employees from each department as well as community members with technology expertise. A technology committee would be able to perform many of the functions currently provided by the paid consultant, and could also be instrumental in developing a technology plan.

#### **Recommendation:**

**The team recommends the township consider forming and utilizing a technology committee. In addition to township staff, the township should solicit participation from members of the school district technical support staff, local high school computer clubs and local university IS majors to assist in the plan development and implementation.**

#### **Infrastructure**

During the review, the team observed the township had not established a standardized hardware/software operating platform. The team found a variant range of computers from old NCR and 386 PCs to the Pentium series. Also, there was minimal linkage established between hardware for device sharing such as printers.

The township e-mail and Internet access is restricted primarily to administrative departments and the department's senior management. Efficiencies that could be accomplished through use of Internet and e-mail are being missed. For example, public works cannot communicate by e-mail with purchasing staff, creating additional manual work in executing the simplest procurement activities. Also, limited Internet access prevents departments and administration from obtaining vendor information, identifying potential savings through state contracts, and obtaining best practice information via links to other government agencies and associations. There was no written policy identified by the team at the time of the review that established guidelines for e-mail and Internet usage.

#### **Recommendation:**

**The team recommends the development of common hardware/software operating platforms based on the conclusions of the technology committee and technology planning process.**

**Also, the team recommends that the township establish policies and procedures defining acceptable employee use of technology, including e-mail and Internet.**

The LGBR benchmark used for considering the appropriateness of having full-time IS staff is if the entity has a minimum of 100-125 computers. Currently, the township has 77 computers, the library has 41, and the fire district 14, making the total number of computers 132.

The township does not have an employee dedicated to supporting technology needs of the township and its staff. During the course of the review, the team noted there was a significant need for technical support and training. Generally, the various departments rely upon an employee with some IS knowledge and/or training to provide some level of support. The team discovered the school district has approximately 25 full-time staff providing technical support for administrative and academic systems.

#### **Recommendation:**

**The team recommends the township utilize the services of the school district's technology support staff. If that option is not obtainable, then the team recommends the township create an IS staff position to support the IS planning, implementation, and training needs of the township to report directly to the business administrator. The IS position should also be utilized in support of the fire district. It is further recommended the position requirements include appropriate network administration and software certifications. It is estimated that the total position value for this employee would be about \$50,000. However, eliminating the need to hire consultants will offset the cost of the position. In 1999, the township paid \$34,361 for those services but they were mostly attributable to the Y2K issue. Therefore, the team will assume a conservative saving of approximately \$10,000 per year in consultant fees.**

**Value Added Expense: \$50,000**

**Cost Savings: \$10,000**

#### **Website**

The township has an official web site. The mayor maintains the site, which includes general information about the township as well as user friendly information about municipal services, public events and volunteerism. The team points out that the township may be able to recover some of the web maintenance costs by permitting local businesses and rental agencies advertising access provided all monies collected be used to offset costs associated with operating the web site. Also, the site could be used to provide access to those documents most frequently requested by the public.

#### **Recommendation:**

**The team recommends the township consider upgrading its web site capability to include revenue from advertising and providing access to documents of interest to the**



**public. The website, and potential enhancements, should be among the topics reviewed by the technology committee. Maintenance of the website should be one of the functions of the IS staff position.**

### **Photocopiers**

Washington Township owns 14 photocopiers. Thirteen small capacity desktops are located throughout the various municipal departments, and one is a production copier used by all departments. Generally, the useful life of a copier is about five years, and as a result, photocopier costs associated with purchasing copiers can be quite high.

The State of New Jersey has negotiated a cost per copy contract (CPC-Contract Number T0206) whereby the customer contracts for photocopies, not photocopiers. Under this arrangement, the vendor provides a photocopier in exchange for monthly photocopy charges and the municipality avoids acquisition costs. The monthly charge is based the number of copies made. LGBR has not been able to identify a more cost-effective method of photocopying than the state contract.

### **Recommendation:**

**The team recommends that the township utilize the state contract (T0206) as the photocopiers are replaced.**

## **DEPARTMENT OF HEALTH AND WELFARE**

### **HEALTH OFFICE/ADVISORY BOARD OF HEALTH**

#### **Organization, Staffing and Services**

By code, the township has a seven member Advisory Board of Health, to be appointed by township council, to study the health matters of the township, and make reports and recommendations to the township council. It became apparent, however, during the interview process that the board did not exist.

Currently, two clerical staff and the director of licensing and inspections perform the functions associated with a local health department. The two clerical staff assist the public, receive the fees, and process appropriate documentation. The director performs inspections, based on need, provides supervision to the two clerks, and serves as registrar of vital statistics. Generally, the health staff performs functions associated with issuing food, vending machine and pool, well and septic licensing, vital statistics, and animal and pest control.

The team discussed the transfer of the registrar clerical function to the clerk's office under the clerk section of this report. In addition, the team has recommended one of the clerical support staff currently performing the function also be transferred with the responsibility to the clerk's office. The second clerical position should be utilized, on a full-time basis, in support of Uniform Construction Code enforcement.

## **Financial**

According to the township's records and staff interviews, the township expended about \$66,415 for salaries, statutory payments and benefits (position value) and \$23,400 in other expenses, for a total of \$89,815 in 1999. The other expenditures of \$23,400 were for contractual services for an animal warden who conducts the annual dog canvass. Those estimates do not account for the director's time on inspections, other clerical support's assistance during peak processing periods (i.e., dog licenses), administrative overhead, staff costs associated with department of administration and finance functions, or vehicle usage during inspections.

Fees are established through local ordinance. Revenues generated through health and vital statistics functions totaled \$170,879 in 1999.

License ordinances and fee schedules were amended by ordinance in 1995. However, the fees for certified copies of documents have not been increased since 1993. Generally, LGBR recommends that fee schedules be reviewed and updated periodically, typically annually, as a way of ensuring that all costs reasonably associated with the operation are covered and that fees are keeping pace with inflation.

### **Recommendation:**

**It is recommended the township's fees be reviewed and updated on a regular basis. In so doing, the township should also assess whether or not the fee schedule is comparable to other communities in Gloucester and surrounding counties. Because the fees have not been updated in several years, the team will conservatively estimate a needed increase of 10%, which would generate about \$17,000 in the first year. The increases should continue each year after that as the fee schedules are assessed and updated appropriately.**

**Revenue Enhancement: \$17,000**

### **Dog Canvass**

According to N.J.S.A. 4:19-15.15, the chief of police or other employee designated by the governing body shall cause a dog canvass to be conducted at least every two years. Based on information provided by staff, the team determined the township conducts an annual canvass, utilizing the services of an independent contractor, who serves as animal warden. Also, the team noted there was follow-up and enforcement regarding residents who failed to comply with the law.

### **Recommendation:**

**The team recommends the township perform the canvass every two years, as permitted by statute. The savings would be approximately 50% of the current cost, as it would reduce the process by half.**

**Cost Savings: \$11,700**

The American Veterinary Medical Association – Center for Information Management reports 28% of national households own one or more dogs. Those households own 1.5 dogs on average. When applied to the approximately 14,500 year round township households, the estimate suggests that there are potentially 6,090 dogs. The township issued about 4,800 licenses in 1999. Accordingly, we estimate that there are still potentially 1,000 - 1,200 unlicensed dogs in the township. Utilizing the least expensive license fee of \$8.20 (spay/neuter), there is potential to generate about \$7,000 - \$8,400, or approximately 35% of the fees paid by the township to the independent contractor. This potential revenue enhancement was calculated by multiplying the net license fee of \$7.00 (\$8.20 fee less the \$1.20 remitted to the state as required by statute) times the number of potentially unlicensed dogs.

### **Recommendation:**

**The team recommends the township review the adequacy of the dog canvass to determine whether the current process requires strengthening. Assuming 1,000 unlicensed dogs, the township would realize an additional \$7,000. However, to be conservative, the team is estimating half of that amount as a revenue enhancement.**

**Revenue Enhancement: \$3,500**

## **YOUTH SERVICES/MUNICIPAL ALLIANCE COMMISSION**

### **Organization and Staffing**

The Washington Township Youth Services/Municipal Alliance Commission is an eleven-member commission appointed by the mayor and approved by council. Among the members is a councilperson and representatives from the police department, school district, business community and township residents. The commission's mission is to provide resources that offer township residents support and guidance to help strengthen and empower individuals and families.

A full-time director, full-time clerk and six part-time counselors provide staff support for the function. There were also approximately 300 youth services' volunteers during 1999.

Payroll data and the municipal budget include "Youth Services" under a department of health and welfare. However, there is no reference to youth services, the municipal alliance commission, or the department of health and welfare in the township's administrative code.

### **Programs and Services**

There are many services and programs provided by the commission staff. Among the services is providing residents with access to counseling, social service agencies, school services, and support groups to meet their specific needs. According to information provided by the director, there were approximately 600 participants in the programs, and 1,200 recipients of food, and an additional 3,000 attendees at the super Saturday celebration.

## Financial

The township receives a Municipal Alliance Grant from the State of New Jersey to fund a portion of its programs. The grant is available to all municipalities, on an application basis, and requires a “hard-cash” and “in-kind” match. The “hard-cash” requirement is a 25% minimum contribution by the township for salary and counselor expenses. The “in-kind” requirement can include charges for use of township facilities, supplies and dedicated employee salary and fringe benefit costs.

The team calculated the following to show the 1999 costs to the township related to the commission’s functions:

Actual Amounts 1999	
<b>Offsetting Revenues:</b>	
Municipal Alliance Grant (State Funds)	<b>\$32,802</b>
<b>Expenses:</b>	
Cash Match	\$8,205
In-kind Match	\$23,299
Staff Position Value (not included in matches)	\$110,260
<b>Total Expenses</b>	<b>\$141,764</b>
<b>Total Township Taxpayer Cost</b>	<b>\$108,962</b>

In general, LGBR teams have not encountered functions such as these being performed by municipal employees. While the team understands the programs and services are geared toward strengthening the social fabric of the community, the taxpayers are paying about \$108,962 for programs that a majority of them do not use. Further, many of those services are duplicative of those provided by schools, the county office of human services, churches, other governmental agencies, the local hospital and charitable organizations.

## Recommendation:

**The team recommends the township evaluate the cost of each service versus its value. The purpose of this evaluation would be to prioritize the programs, reduce expenses where feasible, identify alternative funding options and eliminate duplication of services. Alternative funding options would include grants and aid from other governmental or charitable organizations, and/or developing a fee structure designed to help defray program costs without discouraging participation. The township should also consider program and cost-sharing arrangements with the school district and county department of human services.**

**Cost Savings: \$108,962**

## DEPARTMENT OF LICENSES AND INSPECTIONS

The staff of the department of licenses and inspections perform many functions including staff support for the planning and zoning boards, housing inspection and property maintenance code

enforcement, enforcement of the uniform construction code, registrar of vital statistics, complaint inspections, and local health department services. Each of the components is discussed below, with the exception of health department services which is discussed under the department of health and welfare section.

The team noted the director expends a significant amount of time directly assisting the public and performs functions that could be relegated to clerical support. To assist in the expansion of the director position to include functions associated with the recommended department of community development discussed below, the team is recommending the director be relocated to the office outside of the zoning office. The technical assistant can be located into the space vacated by the director and the counter should be removed.

### **Recommendation:**

**The team recommends the director be moved to a private office. It is further recommended the zoning office counter be removed and the public referred to the counter staffed by clerical support in the adjoining room. In this way, the public will have one contact point to speak with staff and get answers to all of their questions regarding zoning, UCC, property maintenance inspections and planning.**

## **DIVISION OF BUILDING CODE**

### **Staffing/Organization**

The enforcement of the New Jersey Uniform Construction Code (UCC) falls under the department of licensing and inspections, division of building code. There are five UCC licensed staff: the construction official, who is also the elevator and fire subcode official, two subcode officials holding building, plumbing, and electrical licenses, and two inspectors (building and electrical).

Clerical support for the function is provided from a pool of the clerks, who also assist with other functions of the department, including assisting the public at the counter. The information included in the annual report indicates there is approximately 2.81 FTE of clerical support for the function.

At the team's request, the New Jersey Department of Community Affairs (DCA), Bureau of Regulatory Affairs performed a staffing analysis based on the number of permits issued by the township in 1999. The DCA analysis considered two options. First, the township was considered as normal density, meaning roughly that construction conditions, including types and frequency of permit applications, were similar to those of a typical municipality. The second analysis considered the city as a "high" density municipality meaning there is a good deal of activity that requires many inspections. The following table provides a summary of staffing as reported to DCA for 1999:

<b>Staff Member</b>	<b>FTE Equivalent at 32 hours</b>	<b>DCA Staffing Analysis (normal)</b>	<b>DCA Staffing Analysis (high)</b>	<b>Average of DCA Staffing Scenarios</b>	<b>Difference between actual and analysis</b>
CO	.7	1.0	1.0	1.0	(0.30)
Fire Subcode	.15	1.0	1.2	1.1	(0.95)
Elevator Subcode	.10				0.10
Building Subcode	1.05	4.1	5.2	4.65	(3.60)
Electrical Subcode	1.26	1.6	1.9	1.7	(0.44)
Plumbing Subcode	1.00	1.5	1.9	1.7	(0.70)
Clerical Support	2.81	5.5	7.1	6.3	(3.49)
<b>Total UCC staff:</b>	<b>7.07</b>	<b>14.7</b>	<b>18.3</b>	<b>16.45</b>	<b>(9.38)</b>
Unlicensed Department Head	.50	0	0	0	
<b>Totals:</b>	<b>7.57</b>	<b>14.7</b>	<b>18.3</b>	<b>16.45</b>	<b>(9.38)</b>

It appears, based on the current staff configuration and the DCA staffing analysis, that the UCC enforcement function is critically understaffed, by approximately 9.38 FTE. When calculating the difference, the team used the 7.07 FTE for UCC staff and the average of the scenarios of 16.45. It is noted, however, that there was a large increase in permit activity in 1999. Therefore, the numbers reflected above may be slightly skewed.

Understaffing could be costly to the township. Because inspectors and officials are fully occupied, they are unable to follow-up on permits or do spot observations throughout the community. For instance, the team, while observing fire safety inspections, noted that a restaurant had a new enclosed loading area that did not appear to be UCC compliant. Upon further inquiry, the construction official noted that no permit had been requested and, accordingly, issued a violation to the owner. Secondly, there are significant life safety concerns if work is inspected by staff who are in a rush to complete all scheduled inspections.

### **Recommendations:**

**The DCA staffing analysis indicates the office is understaffed by approximately 9.38 FTE. The recommendation in the discussion of the township's health and welfare department regarding moving those functions to the clerk's office will provide an additional .50 FTE for clerical support and will, therefore, not have a cost impact. However, based on salaries for other officials and clerical support, the team calculates that the additional cost to the township would be approximately \$261,630 (\$102,315 for three additional clerical support and \$159,315 for three additional subcode officials). The township should consider increasing the staffing level in increments and is encouraged to have DCA run a staffing analysis based on 2000 activity to review the staffing need.**

**In addition, the team recommends that one of the clerical positions be upgraded to a technical assistant position to supervise the day to day clerical operations, assign inspection work for the day, to ensure records are accurately maintained and permit records are**

updated regularly. A reasonable compensation for the upgrade would be \$5,000. However, because of collections for permit fees, (as discussed below) there should be no cost to the township.

**Value Added Expense: \$266,630**

Information contained on the DCA reports indicates the township is charging half of the director's salary against the collected UCC fees. According to staff of DCA, only licensed officials and appropriate clerical support personnel costs can be charged against those fees. The team spoke with township staff prior to submittal of the 1999 report. However, the team noted that again the township charged half of the director's salary against the UCC fees. When the team inquired as to why the unlicensed staff cost was charged against the UCC fee, we were informed the township auditor advised the CFO to continue to charge that salary. Again, according to DCA staff, the township will have to resubmit the report showing that only appropriate salaries were charged against the fees. The result is wasted cost as the township staff recalculate and resubmit the report.

### **Recommendation:**

The team recommends that in cases where township staff is provided with incorrect information from a contracted professional service provider, the township consider calculating the cost of the redundant staff time and subtracting that amount from future payments to the professional. Language permitting the charge back would have to be included in the professional service contract and resolution. While the reimbursements would be marginal, it would serve as an encouragement to research and appropriately advise staff on matters of policy compliance.

### **Financial**

It appears that the UCC function was self-supporting for three of the last five years. The following table provides detail of the revenues and expenditures as reported in the municipal budgets:

	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>
<b>Revenues</b>					
Realized in Cash	\$307,626	\$312,274	\$317,807	\$477,942	\$689,246
<b>Expenditures</b>					
Salary and Wages	\$281,573	\$322,161	\$338,116	\$343,641	\$348,143
Other Expenses	\$5,222	\$7,007	\$4,820	6,316	\$6,728
Total Expenditures	\$286,795	\$329,168	\$342,936	\$349,957	\$354,871
<b>Difference</b>	<b>\$20,831</b>	<b>(\$16,894)</b>	<b>(\$25,129)</b>	<b>\$128,015</b>	<b>\$334,375</b>

While ordinarily the LGBR would recommend a fee restructuring based on the most current three-year trend that indicates that fees exceeded costs by a considerable amount, the UCC function is critically understaffed. Should the township implement the staffing level indicated in the DCA analysis and the team's recommendation, the difference between fees collected and costs would be greatly reduced.

## **PLANNING AND ZONING**

### **Function and Staffing**

The township has a planning board and a zoning board of adjustment with corresponding staff for each. The current table for the planning and zoning functions is displayed in Appendix C. The team found the current organizational structure to be fragmented but functional, because of the dedication and efforts of staff.

Two full-time clerical employees staff the planning office; the planning board secretary and a clerk. Both work under the day to day direction of the department director, as well as, under the general direction of the planning board.

The zoning office is staffed by one full-time zoning officer and one part-time zoning board secretary. The zoning officer works under the day to day supervision of the department director and the zoning board secretary works part-time for the zoning board of adjustment and full-time as staff of the tax assessor's office. The director also functions as a part-time zoning officer as part of his regular duties. In addition, an employee in the department of administration and finance performs most of the developer escrow account management for the planning office.

The planning office is located in its own office in the township building and houses the planning board secretary and clerk. The zoning officer and director are located in a separate office down the hall and the zoning board secretary is located in the tax assessor's office. In addition to the above, the individual managing the developer's escrow account works in the finance office in a fourth location. While an exact dollar amount can not be established, this fragmentation causes inherent inefficiencies in day to day operations.

It was the team's observation that planning office staff currently have to call or walk down the hall to ask the escrow account employee general questions about developer's escrow status. Similarly, routine coordination between the zoning office and planning office staff requires phone contact or an employee going to that office. Having all of the planning and zoning staff in one office would provide staff more time for escrow management, cross training and, again, would provide an unified public service counter.

### **Recommendation:**

**The team recommends the planning office staff be relocated to the clerical support area in the main department.**

The planning board met 22 times, twice per month (no meetings in August) during 1999. Staff of the planning office processed 101 planning board applications in 1999 and collected \$35,250 in fees. The zoning board met 12 times in 1999 and collected \$20,875 in fees.

The following table shows the staff and professional service costs associated with both boards and functions (except for director's and finance staff's time), revenues generated through fees, and the resulting burden on the municipal budget.



<b>1999 Revenues and Expenses</b>	<b>Zoning Board</b>	<b>Planning Board</b>
<b>Revenues</b>	<b>\$20,875.00</b>	<b>\$35,250.00</b>
<b>Expenses</b>		
Salary, Benefits, Statutory Payments	\$2,500.00	\$55,837.00
Other Expenses	\$9,770.00	\$45,935.00
Professional Services		
Solicitor	\$8,950.00	\$16,805.67
Planner		\$30,070.00
Engineer	\$50,089.00	
Environmental		\$340.00
<b>Total Expenses</b>	<b>\$71,309.00</b>	<b>\$148,987.67</b>
<b>Cost to Township General Budget</b>	<b>\$50,434.00</b>	<b>\$113,737.67</b>

The net result is the general tax base is subsidizing the zoning and planning application process in the amount of at least \$164,172. If the director's salary was apportioned to planning and zoning functions and indirect costs were included, the cost could easily exceed one cent on the tax rate (approximately \$213,000 in 1999). Further, the team noted application fees for both boards had not been increased in approximately 10 years.

#### **Recommendation:**

The team recommends the fees be assessed annually to ensure the cost of the operation is fully covered by the amount collected for applications to the boards. In a municipality enjoying such tremendous development as Washington, increasing fees to cover the cost should be a routine matter. The team calculated that had fees been increased annually by at least the rate of inflation, revenue collected would be approximately 30% higher. The boards should act immediately to begin the process of incrementally increasing the fees to ultimately reach the goal of covering the cost of processing. For example, should the fees be increased 30% in 2000, an additional \$16,837 would be generated. Ten percent increases in the subsequent three years would generate an additional \$7,296, \$8,026, \$8,829, respectively, based on the 1999 experience.

**Revenue Enhancement: \$16,837**

#### **Escrow Management**

The township has an ordinance requiring developers to pay escrow fees to cover the cost of inspections to ensure compliance with ordinances, board approvals and conditions. The team commends this requirement because it obviates the need for taxpayer dollars being used for developer-driven improvements such as engineering inspections, traffic studies, and site plan review.

However, it was observed that some developer escrow accounts had negative balances. Since there is no formal policy regarding when the professionals conduct their inspections, there are occasions when the charges for their services exceeded funds available. This is not a prudent practice since the township is responsible to pay these unpaid escrow balances if the developer does not remit the funds. A revised procedure would eliminate the potential for taxpayer money being used to subsidize the unpaid developer escrow fees.

**Recommendation:**

**The township should develop and implement a formal procedure whereby the consultant does not conduct any inspections unless sufficient funds exist in the appropriate escrow account.**

The township ordinance also requires that all application fees and escrow funds be in place prior to having your application heard by the board. A review of the agenda for the March 7, 2000 meeting showed three out of 16 applicants were not current in their escrow account, although the planning board secretary had sent notifications. One applicant did not attend the meeting, one paid just prior to the meeting and the board heard the third applicant.

**Recommendation:**

**It appeared some, or most, board members were not aware of the status of application fees and/or escrow balances for the applicants on the agenda. The team recommends the board secretary add a column to the agenda indicating the status of both application fees and escrow balances. No applicant should be permitted to go before the board without having first paid all fees.**

**Council on Affordable Housing:**

On July 14, 1986 the New Jersey Council on Affordable Housing (COAH) adopted regulations which allocated the number of low and moderate income units for municipalities (fair share). Washington Township's fair share allocation is 544 housing units. According to the township planner's Annual Report for 1999 (dated February 7, 2000) the township is in technical compliance with their fair share plan.

The team heard some concerns regarding recreation requirements for the COAH housing and the township's recreation trust fund. Ordinarily, developers in the township are required to provide the township with \$1,000 or to provide recreation space for every housing unit built. While there are some township recreation expenses associated with the affordable housing projects, state regulations (N.J.A.C. 5:93-10.1) preclude municipalities from imposing excessive and unreasonable ancillary costs to the developers of COAH projects. N.J.A.C. 5:93-10.1 is found in Appendix D for easy reference.

## **PROPERTY MAINTENANCE**

The township employs one full-time staff member to perform property maintenance inspections and to enforce the property maintenance ordinance. It appears this employee does not have a clear line of report. He works out of the municipal support services office, but the director of licensing and inspections assists with inspections and is copied on all correspondence. Generally, such a function is managed and supervised by the department providing other inspections. In Washington Township, that is the department of licensing and inspections.

### **Recommendation:**

**The team recommends the property maintenance inspection function be realigned with the department of community development as discussed below. The staff member should be transferred into the department and can be located in the same office as the UCC technical support staff (formerly the director's office area).**

## **DEPARTMENT OF COMMUNITY DEVELOPMENT**

The team has discussed several organizational changes for the current department of licensing and inspections which, if implemented, would result in a transition to the department of community development. Appendix E reflects the team's recommendations for the table of organization for the department of community development. The expanded responsibilities formalize the current functions of the department and realign existing staff positions. Implementation would not necessitate hiring or elimination of staff positions, with the exception of the discussion for UCC enforcement.

The team believes there are many benefits to the reconfiguration of the department. The planning and zoning changes include having all existing staff report to the community development director, and the director serving as the conduit between the policy making function of the two boards and the policy implementation role of the paid staff. This arrangement also allows the community development director to coordinate the planning and zoning process from start to finish. Second, the escrow management function is reflected in the planning office rather than the finance department. Fragmentation between planning, zoning and finance would be negated by the proposed changes.

Other changes include moving the property maintenance function under the building, license and inspection division, thereby providing a level of supervision for the function. Also, it appeared that complaints relating to zoning and property maintenance were often time overlapping. Having both the zoning officer and the property maintenance inspector in one location would alleviate duplication. That division would also be responsible for fieldwork associated with the recommended mercantile license discussed in the clerk's office section.

The team also believes that locating all clerical support staff in one office would provide a more coordinated customer service environment. The public would visit one office to get questions answered regarding planning, zoning, UCC, and property maintenance. If necessary, file cabinets can be moved to the vacated planning office to afford more office space in the UCC area.

## **DEPARTMENT OF MUNICIPAL SUPPORT SERVICES**

### **Overview**

The department of municipal support services is one of the largest in the township with a 1999 budget of \$5.5 million. The department has a staff of 54 full-time, 10 part-time employees and 25-30 seasonal employees and according to the administrative code, is comprised of two divisions: public works and parks and recreation. Generally, the division of public works is responsible for maintaining the streets and roads, township buildings, and municipal buildings. The division of parks and recreation encompasses many of the traditional recreation activities as well as maintaining recreation facilities. The organization, as captured in the code, is found in Appendix F.

As with other township operations, the organization, as established in administrative code, varies from the operations observed by the team. In addition, there is no written mission statement, written goals or objectives. This is usually an indication of poor organization and management. This is not to say that the services identified in the code are not being done; they are in some cases very well. It is extremely difficult (if not impossible) to quantify and evaluate the cost and quality of those services given the inconsistencies between the actual functional areas of work being done, the budget and the code.

The director prepared an operational organizational chart for the team. However, upon review, the team found it confused, rather than clarified, the organizational structure and reporting lines. What was clear was that the current organization has a very wide span of control, with too many employees directly and informally reporting to the director. Also, based on interviews, it became apparent that the supervisors were unclear regarding their place in the day to day operations of the department.

When command and control of a department this size is confusing to the department head and line supervisors, it is almost always confusing to the rank and file, other department heads and the public. The lack of organizational charts and written goals and objectives are not in and of themselves directly attributable to inefficiency; it is usually an indicator of the other things that are not in place, such as, accountability, control of the work force, budgeting accuracy, etc.

However, the department has a group of dedicated employees who do the best they can, and despite these deficiencies, manage to maintain and deliver valuable services to the public of Washington Township. The team is confident that with improved organization, along with other recommendations throughout this section, the department will be able to improve the quality and cost of those services.

It was the team's observation that the structure, as outlined in the code, is adequate. The team recommends that municipal support services re-establish itself consistent with the administrative code. The roles and responsibilities of each unit need to be clarified, beginning with a mission statement, long term and annual goals and objectives. Budget documents and expenditure reports need to be in line with these goals and objectives and managers held accountable for effectively managing those resources.

One change to the code is recommended. Park maintenance, meaning the repair and maintenance to grounds and facilities, should be a function of public works buildings and grounds operation. Generally, there is no operational or cost efficiency to be gained by splitting personnel who perform the same work, as is currently the practice. While the team understands the function is currently split to assist in prioritizing needs, priority can be accomplished with proper work order systems in place that allow department management to plan, allocate and report on resource allocation.

### **Recommendation:**

**The team recommends the department be organized as reflected in the code with the exception of the one modification noted above. The township should endeavor to prepare a department mission statement, goals and objectives, budget documents and expenditure reports that support the organization as outlined in the code.**

## **DEPARTMENT ADMINISTRATION**

### **Administrative Staff**

Supporting the department are six clerical staff, who work 32 hours per week, Monday through Thursday. Three are primarily dedicated to the public works functions, two primarily dedicated to parks and recreation and one assigned to the senior citizens center. The team was impressed that a "pool" concept is being utilized, and that all of the clerical employees were cross-trained to perform all office tasks.

However, since the municipal support services department is open five days per week it would be more productive to stagger the clerical staff's schedule so that at least one (or possibly two) work on Friday to support the operation. This concept is discussed further in the negotiated agreement section of this report.

The cross training of clerical employees is a definite plus for efficiency. However, the team feels that having one of the clerical employees designated as office manager would help with organization, planning, and scheduling. During the review, the team noted several occasions when the director had to answer the telephone because no clerical staff was available. A reasonable increase for the office manager would be \$5,000.

The team also observed that, typically, three to six hours per day were being spent answering repetitive phone calls and operating an antiquated copy machine. A simple, inexpensive,

automated answering system with pre-recorded messages would greatly reduce the amount of time the clerical employees spend on the telephone. The department should consider utilizing the township information hotline.

The existing copy machine is not meeting the administrative needs of the department. The machine does not double side, collate, staple, nor does it accommodate the high capacity copies routinely generated by parks and recreation. The township may want to consider leasing a copier that can meet the needs of the department through state contract, as discussed in the administration and finance department section of this report. The team estimates the cost would be around \$100 per month, or about \$1,200 per year.

The clerical staff has been functioning without one clerk since October, 1999 due to a leave and subsequent resignation. The team anticipated the efficiencies realized through the two office upgrades discussed above would facilitate eliminating the long vacated position (position value of \$36,539) without affecting service delivery.

### **Recommendation:**

**The team recommends one clerical position be upgraded to office manager, an informational recording be implemented and a more efficient copier be leased to improve operational efficiency. It is also recommended the vacant position be eliminated.**

**Cost Savings: \$36,539**  
**Value Added Expense: \$6,200**

### **Technology**

In addition to linking municipal support services with other integrated technology on a wide area network as described in the administration and finance department section of this review, the team also recommends two technology upgrades to improve clerical efficiency. With the growing base of trade and business information, it would be extremely helpful to have Internet connectivity. Such ability would facilitate activities such as obtaining price quotes, recycling information, state statute, regulation and policy updates, and research specifications on large pieces of equipment.

Additionally, staff is using a Polaroid camera for its picture taking needs and estimates the cost to be about \$250 per year. The team recommends converting to a digital camera (purchase cost about \$500) which requires no film or film developing and allows much greater flexibility. The photos can be saved on disk and used in reports, e-mails, newsletters, summonses, and other purposes. A digital camera also has zoom capability. The digital camera will pay for itself in two years and be much more convenient and versatile.

**Recommendation:**

**The team recommends clerical staff be provided with Internet connectivity (about \$125 per year) and the department purchase a digital camera (\$500).**

**Value Added Expense: \$125**

**One-time Value Added Expense (digital camera): \$500**

**Work Order/Assignment Process**

The department does keep daily work logs, which account for the task assigned to a crew or employee for that day. The information is very general and does not provide quantitative data to determine what work is actually being done. The logs are kept in a file and not used for planning and scheduling work.

As a management tool, a computerized work order system would provide pertinent information to document the actual cost for material and labor (including benefits and overhead) for both scheduled and emergency work. This type of data provides information necessary to perform cost comparisons of various in-house services to that of outside contractors. A properly managed system could link work orders to an inventory control/order process; affix material and manpower cost to individual work orders; set priorities, plan and schedule work; provide regular reports on resource allocation, and provide a management tool to support staffing needs and resource allocation.

In addition to the recommended work order system, performance standards should be developed. A performance standard is the assigned time that a specific task should take. By assigning standards to the routine tasks, scheduling becomes more effective and worker productivity can be measured. Once the ability to track productivity is achieved, worker productivity can be maximized.

The team believes the township would benefit from the implementation of a PC based, work order system and the implementation of performance standards.

**Recommendation:**

**It is recommended the township purchase and utilize a computerized work order system to track costs and quantify work performed in all areas of public works.**

**One-time Value Added Expense: \$4,500**

**Titles and Salaries**

A review of job titles showed that of the 15 employees assigned to the public works division, 13 were drivers and two laborers. According to the director, only eight driver titles are needed on a day to day basis. Accordingly, five drivers should be reclassified as laborers and a differential paid on those occasions when additional drivers are needed. There is about a \$9,000 difference in position value between the two positions.

**Recommendation:**

The team recommends that five of the driver positions be reclassified as laborers to more accurately reflect actual work practices. If the township is not able to reclassify the positions, new employees should be hired at the lower title.

**Potential Cost Savings: \$45,000**

According to the New Jersey Department of Labor “1998 Occupational Employment Statistics Wage Survey for the Gloucester County Area,” the hourly rates paid to the Public Work’s Drivers and Laborers appear to be a little high by comparison:

Washington’s pay rates even fall above the range of responses in the survey. Even if including an estimated 3.5% raise for 1999 above the 1998 survey rates, the Washington Township pay rates are high. The township could reduce its pay rates by 25% and still be in the upper half of the range for surrounding areas. Total base pay in 1999 for all the drivers and laborers was \$511,023. Reducing this by 25% could save approximately \$127,756. There would also be additional savings through reduced statutory payments.

	Washington Twp.	Washington Twp.	1998 Survey
	Mean Rate (99)	\$0.25 Decrease	Range of Responses
Laborer	<b>\$14.77</b>	\$11.08	\$7.10 - \$11.50
Driver (Light)	<b>\$19.32</b>	\$14.49	\$7.60 - \$16.90
Driver (Heavy)	<b>\$19.32</b>	\$14.49	\$12.80 - \$18.90

	Washington Twp.	1998 Survey	1998 Survey	1999 Survey
	Mean	Mean	Range of	Rates Est.
	Rate (99)	Rate	Responses	Adjusted (3.5%)
Laborer	<b>\$14.77</b>	\$9.30	\$7.10 - \$11.50	\$9.63
Driver (Light)	<b>\$19.32</b>	\$12.10	\$7.60 - \$16.90	\$12.52
Driver (Heavy)	<b>\$19.32</b>	\$16.30	\$12.80 - \$18.90	\$16.87

**Recommendation:**

In future negotiations the township should attempt to bring its occupational wages more in line with area rates as well as revise their pay scale for future hires.

**Potential Cost Savings: \$127,756**

**Community Service, Inmate and Welfare Initiative**

The township benefits greatly from supplementing its regular municipal support services staff with welfare recipients, community service workers and county prisoners. This added labor force



is used primarily for beautification projects including litter abatement, and general clean up at parks and recreation areas. In 1999, there were 12,000 hours of non-paid time utilized by the township.

If the township had to hire seasonal and/or temporary employees to accomplish the same amounts and types of work at \$6.50 per hour, it would have spent at least \$78,000. The team included the use of these workers in the best practice section of this report.

### **Dissolution of Garbage District**

As a result of the dissolution of the garbage district, budgeted salary and wages for 1999 (\$2,309,696) increased approximately \$1 million over that which was expended in 1998. This would normally indicate a large increase in staffing. However, it is apparent that the \$871,606 salary and wage expense for the garbage district was being utilized in municipal support services since there were no salary and wages in the garbage district. The director explained that it was a “paper” district with the governing body serving as the district board. The public works operation of municipal support services exercised oversight and administered the garbage district contracts. The garbage district used a contracted service via a private vendor to accomplish its mission. Now that the garbage district has been disbanded, the 1999 salary and wage number for municipal support services more accurately reflects staffing costs in the department. The municipal support services director confirmed that garbage district salaries were used to offset leaf collection, convenience center operations and certain administrative overhead in 1999.

Again, as discussed in the department of administration and finance section of this report, salaries and expenses should be accurately reflected in the municipal budget.

## **DIVISION OF PUBLIC WORKS**

### **Road Program/Repairs/Maintenance**

The team considers the “Washington Township Pavement Management Program (PMP) 1998 - 2012” completed in June of 1998 the foundation of a best practice. The PMP is a comprehensive planning tool to guide the management of road repairs and maintenance. It is comprised of two main sections:

- An inventory and rating of existing roadway conditions.
- Planned yearly expenditures and maintenance program.

The PMP explains that if the average road is left unattended it will require full-depth reconstruction in about 15 to 20 years. If, however, that road receives an inexpensive asphalt seal coat at the 5 to 10 year point and periodic asphalt overlays (as needed) it will most likely not need a full-depth reconstruction until the 35 to 40 year point. The seal coat rejuvenates and seals the asphalt surface, which prevents water penetration and the eventual cracking and potholes that develop.

Without a properly organized road maintenance program, roads deteriorate at an accelerated rate, which causes the cost of repair to increase dramatically over time. Annual planned and

scheduled road maintenance extends the lifetime of most pavement types and reduces costs by reducing the frequency of reconstruction and emergency maintenance. In the absence of a systematic management program, some roads may receive extensive attention and others none at all. A PMP is a valuable tool in determining when and what roads are in need of maintenance. An example of how following a PMP can achieve significant savings is illustrated in Appendix F. All data is derived from the quantities and cost estimates in the PMP.

It appears, based on that analysis, that without following the pavement management program, a typical three-mile road would cost a total of \$2,013,492 (in 1999 dollars) to fully reconstruct at 40 years. By adhering to the pavement management program that same three mile municipal road would cost approximately \$1,277,792 over 40 years and be in excellent condition the entire time.

The chart below delineates the impact of applying the PMP to all 320 miles of roadway in the township.

<b>Cost Comparison Over 40 Years</b>		
Miles of	Without	With
Roads	PMP	PMP
320	\$214,772,480	\$136,297,813
Difference		\$78,474,667

The township's PMP shows that, given the current road conditions, a consistent annual expenditure of approximately one million dollars will enable the township to keep every road in "good" condition over a 40 year period. The team noted that the 1999 capital improvement fund did not provide any funds for capital roadwork. However, the 2000 municipal budget introduced in March calls for \$1.3 million, which still lags behind the recommended amount, but much closer to their PMP goals.

### **Recommendation:**

**The township should stay current with the Pavement Management Program (PMP), annually authorize the capital funds, and direct that work be completed. If the township were to follow the spending plan in their PMP and increase funding for road improvements approximately \$400,000 each year, they would enjoy significant long-term savings and cost avoidance. The team projected the annual cost avoidance to be approximately \$600,000 per year.**

**Value Added Expense: \$400,000**  
**Cost Avoidance: \$600,000**

## Utilities

### Street Lighting

The township appropriated \$400,000 for streetlights in 1999 and expended approximately \$387,387. The team requested the information necessary to determine the accuracy of street lighting bills, specifically a printout of all streetlights, pole numbers and locations, from township officials. The only information township officials could provide were copies of the monthly street lighting bill. An inventory of streetlights being billed by the energy suppliers to Washington Township could result in significant savings to the municipality if there are inaccuracies. Failure to conduct a streetlight survey could result in the municipality paying for streetlights on non-municipal roads (county, state), and the municipality being billed for lights that are not functioning or have been removed.

### **Recommendation:**

**The team recommends the township request a streetlight inventory and has staff conduct a streetlight survey. The survey and inventory should be compared to the monthly bills. In addition, older lamps can be replaced and upgraded with more energy efficient bulbs. The team is conservatively estimating a 5% saving.**

**Cost Savings: \$19,369**

### Building and Outdoor Lighting

The township appropriated \$265,000 for electricity in 1999 and expended approximately \$218,000. Based upon a review of utility bills, approximately \$86,000 was attributed to buildings and \$132,000 to other outdoor lighting (parks, playgrounds, tennis courts, etc.). The building electric cost averages \$1.22 per square foot and is well within the regional benchmark for building electric (\$1.00 - \$1.50 per square foot).

However, there was no energy awareness or management plan for the control of utility costs for outdoor lighting. Three areas of potential savings exist: energy efficient bulbs, automatic controls and monitoring. It did not appear, based on interviews with the municipal service management, that controls were in place.

Utility bills are currently processed through the finance office without a review of the monthly consumption or cost. It is paid as submitted. A detailed review of the bills indicated numerous months where “anomalies” occur; that is, where the bill is forty to sixty percent higher than the previous month or, the same month from the previous year. These anomalies may be explainable, or they may be billing errors made by the utility.

The review team recommends that the township competitively seek a contract for utility rate and billing error review services. Qualified contractors will, on a shared savings basis, retroactively review utility bills and assist the municipality in obtaining refunds arising from discovered billing errors by the utility supplier. The contractor can then recommend changes to existing rate

structures applied to identified facilities and will assist the municipality in negotiating the implementation of any changes to the rate structure with the utility supplier. The intent of such rate schedule changes is cost avoidance.

In the interim, the review team recommends the immediate initiation of an internal control procedure whereby monthly utility bills are captured on a spreadsheet and reviewed by the director to identify and investigate possible errors prior to payment. This could also be done retroactively. Any savings or adjustments identified by the township prior to entering a shared savings contract would be theirs.

Other initiatives for outdoor lighting include replacing incandescent traffic and crossing lights with LED bulbs and installing and/or repairing timers on the field lights at the outdoor recreation sites including Washington Lake Park, the sports complex, and tennis courts.

### **Recommendation:**

**The team recommends the township enter into a utility rate and billing error contract. Replace incandescent bulbs with LED lamps on traffic and crossing lights. Install and/or repair timers on outdoor recreation lighting. It is estimated that these initiatives could save a minimum of ten percent on the townships outdoor lighting expenditures for 1999.**

**Cost Savings: \$13,200**

As indicated above, the review team has recommended numerous energy management initiatives that could conservatively save the township \$30,000 in annual recurring expenditures. It has been the experience of the team, however, that such an undertaking will not be successful unless a single person is given the authority and mandate to initiate, control and monitor the entire process in a holistic manner. This involves not only the implementation of improvements but constant monitoring and adjustments to include public awareness and education. If the township does not feel that it has sufficient internal resources to manage such an initiative, it would recommend that a qualified contractor be engaged through a competitive process, either on a shared savings arrangement or a fee basis.

Notwithstanding the various actions proposed herein to lower utility expenses, the township is currently participating in purchasing cooperatives for the procurement of both natural gas and electricity. The team commends the township for these actions, which are discussed further in the “best practices” section of this report.

### **Snow Removal**

Although township staff indicated that there was a written snow removal plan, the team was unsuccessful in obtaining a copy. The team was present during two snowfalls and noted that some roads were clear but others had not been plowed at all. Trying to clear such a large township without a formal, clearly defined, understandable plan leads to inefficiency and confusion on the part of the drivers. In addition, the clerical employees reported they spent a great deal of time on the phone dealing with snow removal complaints.

## **Recommendation:**

**The township should develop a comprehensive snow removal plan. At a minimum, the plan should contain a map with zones delineated, equipment, activation criteria, road priorities, and roles of other emergency response and governmental agencies.**

**This type of plan will minimize confusion and give each driver a clearly defined mission. Developing and discussing the snow removal plan ahead of time will eliminate “crisis management” during a snow emergency. A plan should also cut down on complaints.**

## **Solid Waste**

The township presently contracts with a vendor for the removal of solid waste and recycling on a weekly basis. The contract is a five-year agreement, which expires in 2001.

<b>Solid Waste and Recycling Agreement</b>				
	<b># of Homes</b>	<b>Amount Per Year</b>	<b>Allowance Per Home</b>	<b>Base Bid Amount</b>
1995	12,000	1,248,812	\$104.07	\$6,244,060
Added Homes	2,567			
1999	14,567	\$1,316,009	\$90.34	

The team reviewed the contract and confirmed that the additional amount billed in 1999 for the added homes is consistent with the awarded contract. While there appears to be no violations or inconsistencies with the contract, the team does have some concerns with the original bid specification.

## **Township Bid Specification Requirements**

The contract scope of work specifies that collection and disposal/delivery of all garbage, trash refuse and bulk items and recyclable materials will be collected on the same day as trash on a weekly basis. It was the team’s observation, which was confirmed by the public works supervisor, that containers were only 30% to 50% full. A more common practice for recycling pickup is bi-weekly. Contracting for bi-weekly recycling collection would save the community between 70% and 50% of the cost of the recycling portion of the contract. Unfortunately, since the base bid does not separate trash from recycling, the team was unable to calculate this savings.

## Leaves

The contract also calls for the vendor to pick up leaves. There is duplicity of service regarding leaf collection. The municipal support services department also maintains and operates nine leaf machines for curbside leaf pickup. The director noted that it takes three employees to operate a leaf machine: a driver, a raker and a hose operator and that only about seven of the nine leaf machines are in operation at any one time. Assuming seven machines with three employees, 21 employees are required during leaf season. The average position value of a public works employee normally assigned leaf collection duties is approximately \$45,000 per year.

The following table shows the estimated staff cost of the township performing the duplicative leaf collection function:

<b>Leaf Collection Potential Employee Savings (Based on 3 employees per machine and 7 machines.)</b>						
					<b>Average</b>	
<b># of</b>	<b>Hours</b>	<b>Weeks of</b>	<b>Total</b>	<b>Equivalent</b>	<b>Position</b>	<b>Achievable</b>
<b>Employees</b>	<b>Per Week</b>	<b>Leaf Coll.</b>	<b>Hours</b>	<b>Positions*</b>	<b>Value</b>	<b>Savings</b>
21	40	16	13,440	6.5	\$45,000	\$290,769

\*Assuming 2,080 hours per year.

### **Recommendations:**

The contract includes leaf collection, therefore, it would not cost any additional tax dollars to allow the vendor to pick up leaves throughout the township. Going with this option obviates the need for owning and operating nine leaf machines and township staff collecting leaves four months per year. If the township let the vendor perform all leaf collection activities, the township could save the position value of an estimated 13,440 employee hours normally committed to this task for four months. If the township desires to keep the leaf collection function in municipal support services then they should request a contract change order with the vendor to eliminate leaf collection service and credit the monthly bill accordingly.

**Cost Savings: \$290,769**

### Business & Commercial

In addition to residential service, the contract requires the vendor to service commercial and business receptacles up to a maximum of eight bags/containers. Again, there is no breakout of what portion of the contract represents the commercial and business trash but judging by the number of businesses in Washington Township it is fair to say that a healthy portion of the contract is going to cover business trash. Providing trash pickup to private businesses is a policy decision. If the township were to cease provision of the pickup for businesses, they could further reduce their contract costs.

### School District

The school district is included under the township's contract but is required to reimburse for the service. The team recommends continuance of this practice as this arrangement takes advantage of economy of scale and promotes shared services.

### Fire District

The contract specifies the vendor service the fire district buildings at no cost. Again the team encourages these type of shared service arrangements but they should be formalized and benefit both agencies.

### Private Swim Clubs

The contract calls for trash service for four private swim clubs, although one has subsequently been sold to the county and township. The swim clubs do not reimburse the township for the pickup cost. Since there are no separate tonnage or billing records for the swim clubs, the team is unable to determine the extent of any potential savings.

### Bulk Items

The bid specification allows bulk items to be picked up every week. A more common municipal standard is once per month or once per quarter. Bulk items are defined in the bid specification as: sofas, furniture, television sets, mattresses, bathtubs, sinks, carpets, etc. It is unusual for a residential homeowner to have such bulk items to dispose of every week. Requiring the vendor to perform this service every week (52 times per year) inflates the cost of the bid price. A bulk item schedule of once per month (12 times per year) should not unduly inconvenience residents but should reduce the cost of the contract service.

### **Recommendations:**

- 1. Since the township ordinance requires businesses and commercial establishments to have a screened enclosure for their trash containers, it seems incongruous to allow them to put eight bags of trash out on the curb. It appears the intent of the township code is to promote an aesthetic view in business districts. In the future, consideration should be given when developing bid specification to limit curbside collection to residents only.**
- 2. It is prudent practice to include the fire district in the township wide bid. However, there should be a shared service agreement in place to at least quantify the value of the in-kind service.**
- 3. Exclude private swim clubs from the bid specification or back-charge them an appropriate amount.**
- 4. Move bulk item pickup from 52 times per year to 12 times per year.**
- 5. Transition from weekly recycling pickup to bi-weekly recycling pickup.**

**Regardless of the mayor and council's decision pertaining to leaf collection and the savings derived therein, the team stills feels a conservative savings of at least an additional 15% annually is achievable by addressing the above recommendations.**

**Cost Savings: \$197,400**

### **Street Sweeping**

The township owns and operates one street sweeper that is used "as necessary," although it was estimated that, on the average, each street is swept once a year. There are approximately 650 curb miles (going each way on each mile of street) in the township. The team prepared the following to estimate the cost for street sweeping:

<b>Cost of Street Sweeping Program</b>	
Original Purchase Cost	\$125,000
Useful Life in Years	10
Annualized Cost Without Interest	\$12,500
Annual Operations & Maintenance	6,500
Position Value of Heavy Equipment Operator	\$54,031
<b>Total Cost for Street Sweeping Program</b>	<b>\$73,031</b>

The LGBR benchmark utilized for determining the cost effectiveness of the street sweeping operation is \$40 to \$45 per curb mile of road. Using the \$40 to \$45 benchmark, a more appropriate price for street sweeping 650 curb miles would be \$26,000.

### **Recommendation:**

**The team recommends privatization of street sweeping. Such a privatization would eliminate the need for capital purchases, insurance, staffing and other costs associated with owning, operating and maintaining their own street sweeper. The annual savings would be the difference between the current cost of the program and the cost to contract with a private vendor.**

**Cost Savings: \$47,031**

### **VEHICLE MAINTENANCE**

Fleet maintenance plays a vital role in enabling municipal governments to achieve their missions. All major operational departments rely on vehicles and other powered equipment to operate effectively. The township's inventory of police vehicles and public works vehicles/equipment represents a major capital investment on the part of the township. In light of these considerations, it is imperative the township operates an efficient maintenance program.

Some recommendations contained in this section require purchases of equipment and upgrades to the township's maintenance facility. These value-added costs will produce long term savings through greater productivity. Implementation of these recommendations will also result in longer service life of the township's vehicle fleet and long term savings in acquisition costs. Greater availability of vehicles and equipment reduces the need for a large reserve inventory of vehicles to replace inoperative frontline vehicles.

It appears that collection and analysis of data, cost and labor hours expended, is not a priority within vehicle maintenance operation. The team got the impression that a casual attitude exists toward the need to collect data within this operation. Proper data to accurately analyze the cost effectiveness of the township's vehicle maintenance operation was not available. Collecting and analyzing data is necessary to determine the cost effectiveness of any operation, especially vehicle maintenance.



### Mission Statement/Policies and Procedures

The mission of any fleet maintenance operation should be to provide effective and efficient vehicle service that meets the needs of its users. The township does not have a policy and procedure manual, a mission statement, or service guide specific to vehicle maintenance. The lack of written policies and procedures creates opportunities for inconsistent and inefficient work, inhibits performance evaluations and the development of training programs. The lack of standard operating procedures is particularly important in a setting with limited resources, in which strict working controls are critical to maintain an older fleet.

### **Recommendation:**

**The team recommends township management develop and issue a vehicle maintenance and services guide for all township employees. Additionally, it is recommended the township establish a mission statement and standard operating procedures relating directly to the specific operations of the vehicle maintenance staff.**

### Vehicle Equivalents

A Vehicle Equivalent (VE) is a staffing analysis developed by the US Air Force and is recognized by various fleet maintenance firms as one of the best guidelines for analyzing staffing levels. This method determines the average number of hours of maintenance and repairs a vehicle requires and translates those into VE. For example, a passenger vehicle requires approximately 17.5 hours (one VE) of work per year, while a trash compactor truck may require 136 hours per year, or a VE of eight.

The VE ratio is determined by dividing the required hours to maintain a vehicle fleet by the number of annual available mechanic hours. A full-time mechanic has approximately 1,750 hours available annually. This is determined by deducting the number of paid leave hours from a standard 2,080-hour year. The available hours are divided by the maintenance requirements for one passenger vehicle to determine the VE ratio. The industry standard is a ratio of approximately 100 VE per mechanic for an efficient maintenance operation.

### Staffing and Work Load

Maintenance and repair of township-owned vehicles and equipment are done, primarily, in-house by township mechanics. Based on available documentation, it appears that private vendors only do a small portion of the township's vehicle/equipment repairs.

According to the organizational chart, management of the township's mechanics falls under the supervisor, division of public works, department of municipal support services. During 1999, staffing consisted of four full-time employees. The township also employs a mechanic who falls under the department's division of parks and recreation. Mechanics are required to work a 40-hour week.

Based on the data provided, i.e., schedule of commercial vehicles, asset reports and insurance property record reports, the township owns and maintains 156 vehicles and 75 pieces of equipment, which are used by various departments throughout the township.

The team determined that the township has approximately 320 VE's or a yearly requirement of 5,600 maintenance hours. The industry standard for direct labor hours recorded on work orders is 90%. Therefore, each mechanic should produce approximately 1,575 hours of direct labor. Based on these calculations, the township's total staffing requirement is 3.5 Full-time Employees (FTE). The township's current staffing level is at five FTE, four at the public works facility and one at Washington Lake Park maintenance facility.

The mechanic at the park facility performs a variety of duties other than equipment maintenance, including maintaining park and playground equipment, mowing lawns and driving the township bus. Since the township's total staffing need is 3.5 FTE the mechanics at the public works facility should be able to handle the work now being done at the park maintenance facility.

#### **Recommendation:**

**The team recommends the township consolidate all repair functions at the public works garage. It is further recommended, based on the staffing need of less than four full-time staff members, that one position be eliminated. For cost estimating purposes, the team is utilizing the position value of the mechanic position assigned to the Washington Lake Park facility.**

**Cost Savings: \$58,499**

A chain of command is important to any operation, especially one such as the public works department. No one vehicle maintenance staff member is responsible for oversight of the day to day operations. A mechanic foreman, who can assume responsibility for the day to day operations of fleet maintenance, should be in appointed. The mechanic foreman should be capable of making decisions that will affect the fleet's short and long term needs. It would be appropriate that the staff member be compensated at a higher rate, approximately 15% higher than the average salaries of the workers he would supervise. In 1999, the top base salary range for a public works mechanic was \$43,447. Under this proposal, a foreman's base salary should be approximately \$49,964.

#### **Recommendation:**

**The team recommends that a staff member be given the day to day operational responsibilities of supervising the vehicle maintenance function. That staff member could report to the public works department superintendent. The salary increase would be approximately \$6,517.**

**Value Added Expense: \$6,517**

#### Preventive Maintenance (PM)

Preventative Maintenance (PM) includes the routine scheduled inspection, alteration, and replacement of vehicle parts and fluids designed to correct conditions that could result in future mechanical failure. A good PM program enables minor problems to be found and repaired

before they result in service disruptions and costly repairs, thereby, extending the life of a vehicle. It consists of detailed documentation of activities to be performed at a specific time or interval, designed to meet the operating characteristics of the different vehicle uses.

A properly implemented PM program not only increases the life of vehicles but also increases their availability, which reduces the number of needed vehicles. When more vehicles are available, fewer backups are required, which relates to lower acquisition and maintenance costs.

According to the public works supervisor, the township does have a preventative maintenance program but it appears that management controls are very weak. Township staff assigned vehicles are responsible for taking the vehicles to the garage for preventative maintenance. There are no methods in place to track the effectiveness of the preventative maintenance program and there is no consistent follow-up with staff to ensure the vehicles are checked at the appointed guidelines or a mechanism in place to catch vehicles that are not properly maintained.

A sampling of repair jackets showed gross inconsistencies with the preventive maintenance program. One police vehicle put into service during March of 1995 only had nine work-orders in the jacket. Based on the PM program, there should have been at least 30 work orders in the jacket. Another police vehicle, which was put into service during January of 1997, only had two work-orders in the jacket. While the team believes that the vehicles are being serviced at a better rate than these jackets show, there is an obvious lack of control in the system.

Also, at the core of any good PM program is the collection of accurate mileage. The easiest and most accurate way to collect mileage is at the fuel pumps. At this time, the automated fuel pumps at the public works facility do not require mileage input in order to pump fuel. The team recommends the township have the automated pumps reprogrammed to accept mileage. A quote from the system vendor indicated this program change would cost approximately \$300.

### **Recommendation:**

**The team recommends the township have the automated pumps at the municipal complex reprogrammed to require mileage input.**

**One-time Value Added Expense: \$300**

### Performance Standards and Mechanic Productivity

Management does not use performance standards and benchmarks to monitor productivity. Direct labor is time recorded for the performance of actual repairs, but not for indirect labor such as procuring parts and other support functions. Without the benefit of performance standards or benchmarks, management cannot be assured that each mechanic is working to his fullest potential.

Salaries are the single most expensive item in a maintenance operation. As a result, mechanic productivity is the foundation of any efficient maintenance operation. The key to efficiency is maximizing productivity. In order for an operation to be efficient, 90% of a mechanic's available hours should be recorded as direct or billable hours on repair orders.

An important component of tracking productivity is the utilization of a computerized fleet management program. A computerized fleet management program would provide the township with a host of features. Many programs have, at least, the following features:

- fleet inventory;
- complete maintenance and repair history;
- work-orders;
- preventive maintenance and inspection scheduling;
- preventive maintenance checklists;
- repair parts management;
- labor/mechanic productivity;
- tire and component costing;
- work pending records;
- fuel, oil and fluid history and consumption;
- work in progress; and
- warranty repairs.

Such a system's ability to track labor hours allows management to gather data on the performance of each mechanic. With this data, the township can determine if each mechanic is meeting performance standards or, if problems exist, schedule training to correct the deficiency. Accurate data collection in all of these areas is also essential to an effective maintenance operation.

The supervisor estimates that he spends approximately 30% of his time on fleet maintenance matters. With the installation of a computerized fleet maintenance program and the shift of responsibilities to a mechanic foreman, the supervisor should be able to reduce his direct involvement with fleet maintenance to approximately 5%, thereby, providing a productivity enhancement of approximately \$17,410.

#### **Recommendation:**

**The team recommends township management establish performance standards for the mechanics. In-house standards could be developed or a commercial standard, i.e., Motor or Chilton, could be used. Those standards should include expectations that 90% of mechanic's time is direct or billable hours.**

**The team also recommends the township purchase and utilize a fleet management system. The cost of the hardware (computer) would be approximately \$2,500 and the software would be approximately \$7,500.**

**One-time Value Added Expense: \$10,000  
Productivity Enhancement: \$17,410**

#### Cost of Operations

With limited data, a fully burdened labor rate analysis was not possible, but an analysis was done with the data that was available. The analysis was done to determine the cost effectiveness of the

operation against repairs done at a private vendor. Based on the costs provided by the township, a labor rate for the garage was calculated to be approximately \$45 per hour, although that number is low because not all costs associated with the function could be identified. This hourly rate is based on a best case scenario, assuming that each mechanic could account for every available hour on a repair order.

It is critical that management monitor costs and productivity to insure that the township's burdened labor rate does not exceed the rates charged within the private sector. Again, installation of a computerized fleet maintenance system would provide township management with the tools necessary to insure the operation is cost effective.

### Facility

The public works repair facility is located within the municipal support services complex. The building was erected in 1974 and consists of approximately 11,700 sq. ft. of space. In terms of size, the facility is more than adequate for the task at hand. It has four work bays, three of which are equipped with lifts. In general, the shop is equipped with adequate heating and lighting, and has an overhead exhaust system, which we observed in use.

The facility has a stock room which, at the time of the review, was not being used to store any major items. Stock levels are kept to a minimum and most of the parts in the room were obsolete and slated for disposal through appropriate channels. Parts required for the operation of the garage are delivered, via local vendor, as needed.

There were two areas that the team feels should be addressed; shop cleanliness and clutter. On three separate visits to the shop, the floor looked as though it had not been swept in weeks. In addition, old parts of all descriptions clutter the garage. Used parts that still have value and can be used should be stored in the stockroom. Those items that are no longer useful should be disposed of in the appropriate manner. Clutter could lead to dangerous working conditions, causing injury, lost productivity, and increased workmans' compensation expenses.

### **Recommendation:**

**The garage should be cleaned on a daily basis and used parts be, either disposed of, or stored in the stock area.**

Currently, oil is delivered in bulk form and stored in a 250-gallon tank. For dispensing purposes, the oil is pumped out of the 250-gallon tank into a 55-gallon drum, which is stored on a rack. The area where the oil is stored is very disorganized and spilled oil covers much of the area. To alleviate this problem the team recommends the installation of two overhead oil-dispensing reels, one between bays one and two and the other between bays three and four.

### **Recommendation:**

**The team recommends the township purchase and install an overhead reel oil dispensing system.**

**One-time Value Added Expense: \$700**

### Parts and Material Purchasing

Generally, the township uses the state contract when purchasing parts and material. Currently, the township purchases bulk oil, antifreeze and windshield washer fluid. The chart below shows the savings the township can experience if the state contract were utilized.

	<b>Township</b>	<b>State Contract</b>	<b>Savings</b>
Oil (55 gal.)	\$145.75	\$121.33	\$24.42
Antifreeze (55 gal. drum)	\$222.00	\$109.50	\$112.50
W/W Concentrate (55gal. drum)	\$137.50	\$76.00	\$61.50

The township could save approximately \$350 per year using the state contract, although the team anticipates that usage, and, therefore, savings could possibly increase with the implementation of a well-defined PM program.

### **Recommendation:**

**The team recommends the utilization of the state contract for purchase of oil, antifreeze and washer fluid.**

**Cost Savings: \$350**

### Tire Purchases

The township utilizes the state contract for tire purchases, although it appears that non-contract purchases are made when contract items are not available. The cost for tires for large equipment, i.e., loaders, sweepers, heavy-duty trucks and tractors is considerable. An alternative to purchasing new tires for these types of equipment is to utilize recapped tires. Recaps can be purchased through state contract for a fraction of the cost of new. The chart below illustrates the difference in costs.

<b>Tire Size</b>	<b>New Cost</b>	<b>Recap Cost</b>	<b>Savings</b>	<b>% Savings</b>
11.00-20 16P	\$216.00	\$85.00	\$131.00	61%
11 R 22.5 14P	\$266.47	\$82.00	\$184.47	69%
11 X 22.5	\$166.56	\$55.00	\$111.56	67%

The thought of using recap tires usually raises concerns about safety issues. However, with the new processes today, recap tires have been found to be a safe and economical alternative to new tire purchases. The New Jersey Department of Transportation (DOT) is currently using recap tires for similar types of equipment.

Based on the purchase of just these 11 tires in 1999, the township could have saved approximately \$1,688.

### **Recommendation:**

**The team recommends the township purchase recap tires for heavy-duty trucks and off road equipment.**

**Cost Savings: \$1,688**

#### Pre-trip inspection logs and vehicle usage reports

Pre-trip inspection logs should be used on a daily basis. Used properly, it can help spot problems before the driver is on the road and eliminate preventable breakdowns and/or unsafe condition. The driver can insure the vehicle is prepared for foreseeable weather/road conditions.

A vehicle usage report provides information on who is using each vehicle, purpose for the trip, where the vehicle has been, and the beginning and ending mileage for each trip. It also provides data on how often the vehicle is used. Usage data from this report can be used to determine if vehicle/equipment inventory levels are adequate or if the unit is under, or appropriately, utilized. Based on historic trends, proper inventory levels can be established.

### **Recommendation:**

**The team recommends township management establish a system for the use of pre-trip inspection logs and vehicle usage reports.**

## **DIVISION OF PARKS AND RECREATION**

Based on information provided, the team conducted an analysis of the cost, organizational structure and activities of the park and recreation operations and the maintenance of related facilities. This review is divided into four sections: buildings and grounds, parks and recreation facilities, recreation programs, and other recreation activity.

### **Buildings and Grounds**

#### Overview

Within municipal support services, traditional “buildings and grounds” functions are located in the division of parks and recreation. The administrative code specifies that public buildings and grounds should be within the division of public works.

Under the supervisor of parks and recreation, these activities are organized into three functional areas, with a designated work crew for each. The *buildings and grounds* crew (which is actually a “buildings” crew) includes five maintenance mechanics responsible for facility repairs and maintenance. The *parks* crew (which is actually a “grounds” crew) has three craft mechanics, one truck driver, one laborer and one auto mechanic. The *building maintenance cleaning* crew has five maintenance workers and cleans public buildings. In addition, according to the supervisor, approximately 6,700 hours of work from the public works crew are dedicated annually to projects within the parks.

The buildings and grounds crew is responsible for the general repair and maintenance of 110,193 square feet of administrative, service, recreation and historic space within the township as summarized in the following table:

<b>Washington Township: 1999 Facilities Summary</b>		
<b>Complex/Building</b>	<b>Year Built</b>	<b>Square Feet</b>
Justice Building	1964/1974	17,034
Public Works Office	1990	4,020
Public Works Garage	1974	11,736
New Municipal Building	1970	32,032
Community Activity Center	1978	6,800
Senior Citizens Center	1993/2000	7,340
<b>Sub-Total Admin. and Programs</b>		<b>78,962</b>
Historic Complex	Various	5,697
Washington Lake Park	1992	7,792
Golf Course	1960/86	2,480
WTPR Sports Complex	Various	10,140
Township Lake	Various	5,122
<b>Sub-Total Historic and Recreation</b>		<b>31,231</b>
<b>Total Square Feet</b>		<b>110,193</b>

The crew also performs small construction and renovation projects and secures abandoned houses, as required.

Municipal support services does not have a work order system that accurately captures and allocates time and material cost to individual projects. Thus, it is not possible to quantify the cost associated with maintenance and repair on administrative/program buildings versus park/historic facilities. However, the supervisor estimates that 80% of the buildings and grounds crew time is dedicated to parks facility repairs and maintenance, or four FTEs.

During 1999, the park crew (which actually functions as a “grounds” crew) provided maintenance and repair to approximately 396 acres of grounds including, parks, playgrounds, athletic fields and other open (lawn) spaces that require mowing and maintenance as follows:

<b>Washington Township Grounds Summary</b>	
<b>Grounds</b>	<b>Acres</b>
Athletic Fields	45
Golf Course	20
Grounds*	25
Parks	242
Playgrounds	8
Vacant	56
<b>Total</b>	<b>396</b>

\*Public Buildings and Water Tower



Please note that this total does not correlate with the table of developed, and partially developed, land reported later in this section. Rather, it is reflective of the review team's assessment of the total ground acreage that requires regular maintenance, since the supervisor was not able to provide these details when requested.

For example, Washington Park is estimated to have a total of over 330 acres. However, the "green space" that is not wooded and requires regular mowing, fertilization, seeding, etc. is estimated at less than 100 acres. In addition, the athletic fields located in Washington Park were counted with other township athletic facilities that require a different level of maintenance and care (lining/stripping, dragging of infield's, etc.) and will be discussed as a separate issue within this section. Finally, the golf course is included since the park crew performs mowing services (fine turf management and grooming services are provided by part-time groundkeepers).

To determine the cost effectiveness of the buildings and grounds operation, it will be evaluated by its two functional components, *ground* and then *building*, including the repair and maintenance of historic/recreation buildings and the cleaning and maintenance of administrative and program space.

#### Grounds

The general observed condition of the townships grounds, parks, playgrounds and athletic facilities was good to excellent and was reflective of the priority placed on recreation by the administration. However, there were some disparities in quality, with smaller, older parks, located on the periphery, lacking the attention paid to larger central facilities.

The following table summarizes the township's 1999 actual expenditures for grounds maintenance, based upon time allocation information provided by the supervisor, actual payroll costs (salary and benefit data which are presented as position value), and 50% of budgeted supply costs. The remaining 50% of supply costs are allocated against parks and recreation buildings.

<b>Washington Township: 1999 Grounds Cost</b>				
<b>Wages</b>	<b>Hours</b>	<b>FTE</b>	<b>Average Salary</b>	<b>Annual Cost</b>
Park Crew	10,400	5.0	62,283	311,417
PW Crew (80%)	6,700	3.2	52,470	167,904
Total	17,100	8.2	58,454	479,321
Supply Cost				19,482
<b>Grand Total</b>				<b>\$498,803</b>

As indicated, the township expended an estimated \$498,803 during 1999 to maintain approximately 396 acres of grounds. As was noted in the public works section of this review, the township was also the beneficiary of approximately 12,000 hours of community service work, some of which was applied to the parks and grounds, which was identified as a best practice. However, given the lack of an effective work order system and the inability to reliably quantify this effort, it was not included in the analysis.

To provide a “measure” of this annual \$498,803 expenditure, it was applied against the total number of acres (396) and available hours (17,100) during the year. The number of acres per man (FTE) was also calculated. The following table summarizes these findings:

Performance Measures	
Cost/Acre	\$1,260
Cost/Hour	\$29.17
Acres/FTE	48.29

While there are no readily available published benchmarks for providing grounds services for municipalities, there are school guidelines available. *American Schools and Universities Magazine* (ASU) publishes annual data on the cost to provide school building and ground maintenance. Under ASU guidelines and LGBR experience, one grounds worker for every 25-30 acres is the benchmark, where intensive “turf management” is not a requirement, such is the case in Washington. Accordingly, the township compares quite favorably to this measure.

As a practical measure of cost, during 1999, the township was providing full service maintenance for \$29.17 per hour, which seems reasonable, given the overall good appearance and condition of the parks, playgrounds and athletic facilities. However, there are townships within the area providing “similar” services at lower cost but, given disparities in the nature and types of facilities and programs available from town to town, it is difficult to make an “apples to apples” comparison.

However, there are two areas of ground maintenance where improvements in operational efficiency could result in savings: the maintenance of grounds around public buildings, and the preparation of athletic fields. The review team is recommending that the maintenance of grounds around public buildings be contracted out as part of building cleaning and maintenance (see Buildings below).

Secondly, as reported by the supervisor, the parks crew provides all pre-event sports field maintenance and preparation for eight baseball fields, nine softball fields, 13 soccer fields, four football fields and one cricket field. In many communities it is common for volunteers, under the supervision and scheduling of the various leagues (i.e., Little League, Babe Ruth League etc.), to handle the preparation of sports fields (striping/lining, infield dragging, etc.). It is recommended that the township seek to secure field preparation from various leagues and user groups as an alternative to providing these services with township personnel.

By eliminating these two functions (grounds and field preparation), the review team estimates that the equivalent of one full-time staff position (FTE) could be eliminated. Further, the team would recommend that following the implementation of a work order process and functional reorganization, as will later be recommended, these costs be continually monitored and benchmarked to identify areas for possible future reductions.

**Recommendation:**

**Utilize volunteers and leagues for the preparation of athletic fields. Shift the maintenance of grounds around public buildings (and the water tower) to contracted services. Reduce one position from the park crew at an average position cost of \$62,000.**

**Cost Savings: \$62,000**

**Buildings**

As indicated earlier, the township's building and grounds crew staff, as reported by the supervisor, are allocated between historic and recreation buildings (four positions) and Administrative and Program buildings (one position). Each will be evaluated separately.

*Historic and Recreation Buildings* - The general observed condition of the township's park, recreation and historic buildings was good to excellent, reflective of the priority placed on these programs by the administration. The following table summarizes the township's 1999 actual expenditures for historic and recreation building maintenance based upon time allocation information provided by the supervisor, actual position values and 50% of budgeted supply cost.

<b>Washington Township 1999 Historic and Recreation Building Maintenance Cost</b>				
<b>Wages</b>	<b>Hours</b>	<b>FTE</b>	<b>Average Salary</b>	<b>Cost</b>
B&G Crew (80%)	8,320	4.0	\$54,091	\$216,364
Supplies				\$19,482
<b>Total</b>				<b>\$235,846</b>

As indicated, the township expended an estimated \$235,846 during 1999 to repair and maintain approximately 31,231 square feet of historic and recreation buildings or \$7.55 per square foot.

Typically, repair and maintenance should be delivered for under \$.50 per square foot. The extremely high cost for these services within Washington suggests that the repair and maintenance staff is engaged in performing small construction and/or renovation projects, or performing grounds work. This is another example where having a work order system in place would enable the township to accurately assign cost to the type of work being performed and allocate resources accordingly.

However, given the extremely high cost to maintain recreation buildings, the review team would recommend that one position be eliminated until a work order system is in place, then monitor and determine if additional reductions are possible. For the purpose of estimating savings, the team used the average annual position value of \$54,091.

**Recommendation:**

**Eliminate one buildings and grounds position currently assigned to historic/recreation building work.**

**Cost Savings: \$54,091**

### Administrative and Program Buildings

The general, observed condition of the township's public buildings was poor to good and reflective of a lack of a systematic approach to identifying needs and organizing work on a priority basis. The justice and community activity buildings showed a significant lack of maintenance and care, the latter from a lack of resources to keep up with the wear and tear of the programs conducted there.

The justice building reflected a lack of organization and control in space and facility management that characterized the day to day operations of the department. Again, the current condition is reflective of a lack of regular repair and maintenance. It is the observation of the review team that there is adequate space in the building to meet program needs and they would recommend a space and five-year capital improvement plan (following reorganization as recommended) as a more cost-effective alternative to replacement.

The township provides maintenance and custodial services, with township personnel to its administrative and program facilities. Maintenance is delivered through the assignment of various members of the buildings and grounds crew on a job by job basis to the equivalent of one FTE per year (20% of the time of the entire five-man crew, as reported by the supervisor).

Cleaning is provided by the assignment of five building maintenance cleaning staff to individual buildings. Based upon the actual position value of individuals assigned and annual chemical and supply costs pro-rated equally among buildings, the following table represents the annual and square foot cost to clean township buildings:

<b>Washington Township - Annual Cost of Administrative and Program Facility Cleaning</b>						
		<b>Position Value</b>	<b>Cost</b>	<b>Material</b>	<b>Cost</b>	<b>Total</b>
<b>Complex/Building</b>	<b>Sq. Ft.</b>	<b>Annual</b>	<b>\$ Per S.F.</b>	<b>Annual</b>	<b>\$/S.F.</b>	<b>\$/S.F.</b>
Justice	17,034					
Public Works Garage	11,736					
<b>Sub Total</b>	<b>28,770</b>	<b>\$40,426</b>	<b>\$1.41</b>		<b>\$0.17</b>	<b>\$1.58</b>
Public Works Office	4,020					
Senior Citizens Center	7,340					
<b>Sub Total</b>	<b>11,360</b>	<b>\$59,741</b>	<b>\$5.26</b>		<b>\$0.17</b>	<b>\$5.43</b>
Community Activity Center	6,800					
Park Rangers Office	2,200					
Restroom Building	160					
<b>Sub Total</b>	<b>9,160</b>	<b>\$35,605</b>	<b>\$3.89</b>		<b>\$0.17</b>	<b>\$4.06</b>
New Municipal Building	<b>32,032</b>	<b>\$77,198</b>	<b>\$2.41</b>		<b>\$0.17</b>	<b>\$2.58</b>
<b>Total</b>	<b>81,322</b>	<b>\$212,970</b>	<b>\$2.62</b>	<b>\$13,500</b>	<b>\$0.17</b>	<b>\$2.78</b>

As indicated, it cost an average of \$2.78 per square foot to clean 81,322 square feet of space using township personnel. Typically, cleaning (including first line repairs, preventive and grounds maintenance) can be provided using contracted services in the range of \$1.00 to \$1.25 per square foot. For the purpose of estimating savings, using a rate of \$1.50 per square foot, the

township could save \$104,000 per year, plus the cost of the one buildings and grounds FTE currently doing building maintenance (at an average position value of \$54,091), for total savings of \$158,000.

**Recommendation:**

**Contract out for building cleaning, maintenance (minor repairs and preventive maintenance) and ground maintenance services for the township's public facilities, located outside of the athletic complex and parks. Reduce five building maintenance cleaning positions and one buildings and grounds position.**

**Cost Savings: \$158,000**

**Parks and Recreation Facilities**

It was apparent it is a high priority of the mayor and, in part, the council, to provide the community with exceptional parks and recreation opportunities. There are several beautiful parks and recreational facilities scattered throughout the township, including: Washington Lake Park, Grenloch Lake Park, Quay Park, Valley Green Park (Creative Playground), Washington Lake, the Municipal Golf Course, Washington Township Sports Complex and the McCucci Complex. These parks provide various recreation activities for township residents, such as play areas for toddlers, athletic fields for youths and passive open areas for all age groups to enjoy.

Athletic Fields

In addition to the municipal owned property, the township also utilizes various fields from the board of education. In total, the board of education provides 12 baseball fields, 15 soccer fields, 9 mini-soccer fields, and 12 softball fields. The following table illustrates the total number of athletic fields provided by the township and the board of education:

Baseball	20
Softball	21
Soccer	28
Mini Soccer	9
Football	4
Cricket	1

**The township and school district are commended for sharing the recreation facilities, thereby, reducing the need to build additional, duplicative fields and facilities.**

Old Stone House Village

In addition to the park and recreational facilities, the township also owns some historical buildings known as the Old Stone House Village. The village provides educational information to students regarding local history. The administrative code notes there is an Old Stone House Village Advisory Commission. The commission membership is diverse and includes representatives appointed by the council and the historic society. The commission is charged with establishing a long-range plan, and planning, organizing and implementing programs associated with the village.

## **Recommendation:**

**The team recommends township staff remove themselves from involvement in the day to day operations of the village. The committee should, instead, become responsible for all administrative matters, scheduling of work, setting user fees and soliciting donations sufficient to cover the cost of operations. Work performed by township staff in support of the village should be charged back to the commission.**

### Green Acres Open Space

The Green Acres open space inventory lists some 827.25 acres of township owned land dedicated to park and recreation purposes. Of that amount, 542.89 acres are developed or partially developed land and 284.36 acres are undeveloped. The following table illustrates the developed and partially developed land, as reflected in the inventory:

<b>TYPE</b>	<b>ACREAGE</b>
Park	466.28
Recreation	38.22
Historic	6.22
Golf course	20.27
Police/Public Works	11.90
<b>TOTAL</b>	<b>542.89</b>

The 284.36 acres of undeveloped land is mostly wooded areas. The combined assessed value of the 827.25 acres included on the green acres inventory is \$7,863,400.

In addition to the green acres land, the tax-exempt property list indicates the township owns an additional 516.15 acres of open space and vacant land. The total assessed value of this land is \$3,502,600. This would bring the total amount of open space, vacant land, parks and recreation areas to 1,343.40 acres, with a total assessed value of \$11,366,000. If the same value of property were to be assessed taxes, the township would have generated an additional \$70,697 in local purpose taxes. However, if those properties were privately owned, the assessments would probably be significantly higher depending on the use of the property. Also, the need for the township to maintain the properties would be negated. While the team is not suggesting that having this amount of open space is not appropriate or desirable, the team believes the taxpayers should be aware of the impact on the local tax rate now and in future years.

The township has been successful in obtaining funds from the green acres program for the property purchases and facility construction. The funds consist of part loan, at an interest rate of 2%, and part grant. According to staff of the green acres program, the township currently is committed to repay loans of \$935,125 plus 2% interest to the green acres trust for three projects. The three projects include Phase II of the acquisition of Grenloch Lake, the construction of the amphitheater in Washington Lake Park, and acquisition of a conservation area.

## **Recreation and Open Space Needs**

LGBR utilizes two methods to estimate whether a municipality has set aside an amount of park, recreation and open space that is consistent with accepted standards. The first method, which is addressed in New Jersey's Common Ground, A Summary of the 1994 - 1999 New Jersey Open Space and Outdoor Recreation Plan, provides a guideline for municipal level park and recreation space to be 3% of the developed and developable land. The report notes that the guidelines are a means of estimating the amount of recreation land that should be set aside and represents recommended minimum acreage.

Washington Township is 26.3 square miles. The township's master plan indicates approximately 10% of the land is considered wetlands, or not developable, making a net of 23.67 square miles of developable land. Utilizing the above 3% guideline, the township should have approximately .71 square miles dedicated to recreation space.

There are 640 acres in a square mile. Therefore, the 3% guideline, or .71 square miles, would equate to approximately 454.46 acres. As previously indicated, the township has 542.89 acres of developed or partially developed park and recreational areas, or 88.43 acres more than indicated by the three-percent guideline. If you add the other 800.51 acres of undeveloped open space or vacant land owned by the township, the total of 1,343.40 acres indicates the township has roughly three times the recommended amount. It should be noted that there is a total of 16,832 acres in Washington, which means the township already owns approximately 8% of the property in the township. In fact, the amount of vacant land in the township has grown since 1996, from 855 to 1,055 tax line items.

An alternative comparison is seven to eight acres of park and recreation space for every 1,000 residents. Utilizing the eight acres of park and recreation land for every 1,000 residents and assuming 48,000 residents, this method yields 384 acres of park and recreation space. The 542.89 acres of park and recreation property owned by the township exceeds the eight acres per thousand benchmark by 158.89 acres. The 542.89 acres equates to approximately 11 acres per thousand residents, and the 1,343.40 acres of open space, vacant, park and recreation areas equate 28 acres per resident, or 20 acres more per resident than indicated by this method.

According to the New Jersey's Common Ground booklet, there are a total of 4,517 acres of recreation open space in Gloucester County. The 542.89 acres of park and recreation land contained on the green acres inventory for the township accounts for 12% of the total recreation open space in the county. In addition, one of the county's parks is located in the township and available for use by the township residents.

During the course of the review, there was a great deal of discussion regarding a proposal to purchase additional properties within the township to utilize as park, recreation and open space. The proposal being discussed would have the township purchase many of the remaining tracts of undeveloped land from the owners. The land would then be dedicated to park, recreation and open space. In addition to providing additional recreation space, the proposal was also aimed at

avoiding additional development. The team attempted to reconcile the information regarding the acres of township owned open space, which was contained in published documents against the township records, and was unable to do so.

#### **Recommendation:**

**The team recommends there be a comprehensive assessment of all properties owned by the township, including those properties registered on the green acres inventory as well as all properties listed in the tax duplicate as township owned, prior to acquiring any new property for open space, park and recreational use. Some of the properties already owned by the township are large tracts of land that may be developed for recreational purposes. In reviewing the appropriateness of purchasing additional property, the township should consider the ultimate affect on the tax rate as those properties will become tax exempt, will require additional service demands and could potentially be purchased through debt issuance. That analysis should be completed prior to submitting the issue to the voters for approval.**

#### Park Rangers

There were seven full-time and seven part-time park rangers on the township's payroll during 1999 for a total position value of \$327,473 (\$276,777 full-time and \$50,696 part-time). In addition, the park rangers expended \$11,335 for overtime.

The township has been successful in securing a \$210,000 special legislative grant from the state to fund the salaries and benefits of the seven full-time park rangers. The grant specifies the responsibilities of the park rangers are two-fold: 1) to provide full-time security of the parks purchased and improved with Green Acres funding, and 2) to provide educational sessions regarding the benefits of recycling, environmental protection and a greater appreciation of nature to the elementary school children.

The park rangers have assumed additional duties other than those specified in the grant agreement. For example, the ranger's track the hours of individuals assigned to court mandated community service and the County Sheriff's Labor Assistance Program for park projects.

While the services provided by the park rangers are commendable, the township should reallocate the park ranger staff to the level supported by the state legislative grant. The police department could patrol the parks to negate the effects of staff reduction.

#### **Recommendation:**

**The township should reduce the expenditures for park ranger staffing to the level supported by the \$210,000 special legislative grant. In addition, should the township lose the special legislative grant, the park ranger functions should be eliminated. The educational functions could be provided by the school district and the public safety/patrolling functions by the police department.**

**Cost Savings: \$128,808**



## **Recreation Programs**

Administration of the recreational programs is also a function of the parks and recreation division. A parks and recreation coordinator is responsible for the day to day oversight of nine youth sport programs and the coordination of various seasonal activities and programs with private providers in the township. The responsibilities of the coordinator include program registration and fee collections; soliciting bids and paying program expenses for uniforms and equipment; compiling program utilization statistics; and, internal financial reporting on a program by program basis.

Each of the township's sports programs is subject to oversight by volunteer commissioners. These commissioners establish program by-laws, set user fees, subject to approval by the mayor, and coordinate facility scheduling through the coordinator. The commissioners take an active role in soliciting contributions from boosters and arranging other fundraising events. The team observed that there was a great deal of disruption in the municipal support services office during registration periods because of a high volume of traffic and telephone calls.

All program commissions come under the supervision of the Washington Township Parks and Recreation Sports Advisory Board. This five-member board of volunteers is nominated by the various program commissioners and is appointed by the mayor. The director of the department of municipal support services is an ex-officio member of the board. The board serves primarily as an arbitrator of disputes arising from activities within the various programs and also has the power to amend existing sport by-laws. It holds public meetings monthly.

## **Financial**

The coordinator prepares internal reports relating to revenues and expenses associated with program activities. While it appears the coordinator does provide an accurate reflection of funds collected and spent, the reports do not take into account other indirect expenses, such as the use of municipal employees and resources from other departments and divisions, equipment purchases, fuel, vehicle maintenance, property-casualty insurance allocations, and employee benefits.

In general, the team found that it was very difficult, based on the information provided, to determine the true cost of these operations. There was insufficient information available to the team to determine the extent to which the local purpose tax is being used to subsidize these recreation operations.

The team prepared an analysis of program utilization, user fee revenues, program expenses and the cost of township employees and resources in order to estimate the township subsidy. The analysis of the cost of township employees was prepared utilizing the allocation schedule of department employees provided by the director. It appears total recreation program costs exceeded revenues by approximately \$236,296 in 1999. No debt service or capital costs are included in that estimate.

The following table summarizes recreation program utilization, revenues and appropriations as reported in the township's internal reports and as adjusted by the review team to include estimated costs of additional department staff:

<b>Program</b>	<b>Number of Users (a)</b>	<b>Program Revenue (a)</b>	<b>Direct Program Expense (a)</b>	<b>Revenue Excess (Deficit) (a)</b>	<b>Admin. &amp; Super. Costs (b)</b>	<b>Repair &amp; Maint. Costs (b)</b>	<b>Revenue Excess (Deficit) (b)</b>
Baseball	1,892	\$105,590	\$110,099	(\$4,509)	\$9,766	\$23,587	(\$37,862)
Soccer	1,920	\$169,360	\$166,076	\$3,284	\$15,664	\$37,833	(\$50,213)
Basketball	2,232	\$103,608	\$82,921	\$20,687	\$9,583	\$23,145	(\$12,041)
Softball	1,266	\$56,852	\$51,912	\$4,940	\$5,259	\$12,700	(\$13,019)
Football	302	\$29,395	\$28,138	\$1,257	\$2,719	\$6,566	(\$8,028)
Cheerleading	299	\$22,760	\$24,167	(\$1,407)	\$2,105	\$5,084	(\$8,596)
Seasonal Programs	2,666	\$320,947	\$306,710	\$14,237	\$29,685	\$71,695	(\$87,143)
All Other (c)	189	\$67,353	\$65,585	\$1,768	\$6,196	\$14,966	(\$19,394)
<b>Total</b>	<b>10,766</b>	<b>\$875,865</b>	<b>\$835,608</b>	<b>\$40,257</b>	<b>\$80,977</b>	<b>\$195,576</b>	<b>(\$236,296)</b>

- (a) Per the township's internal reports.
- (b) Per the review team's analysis using internal human resource allocation table.
- (c) Start-up programs and all program insurance premiums collected.

#### **Recommendation:**

**The team recommends that the township undergo a comprehensive review of costs of each program, prior to the mayor approving the user fee schedule as proposed by the commissioners. There should be sufficient disclosure so that the governing body (and the public) can determine how much of the expenses should be covered from the tax base and how much by the users. While the team believes that the goals should be to have all costs associated with the programs paid by the users, it will conservatively estimate a 50% saving over 1999.**

**Cost Savings: \$118,148**

**The team also recommends the responsibilities of the advisory board be expanded to assume administration of all youth sports programs independent of the use of township employees. The township could then budget an annual contribution to support these programs if that is what is publicly determined to be appropriate. This form of subsidy would enable the taxpayer and governing body to see what the township is actually contributing to such programs and make an informed decision as to its desirability and usefulness. The advisory board should also be responsible for program registrations. The team noted that there are communities in Gloucester and Camden Counties currently providing recreation programs through such a structure with success.**

#### **Other Recreation Activities**

For discussion purposes, the team is including revenue producing recreation facility/programs under the heading of other recreation activities. Those are:

- Washington Lake;
- Washington Township Municipal Golf Course;
- Washington Township Senior Center and related lunch program; and
- Community Activity Centers (CAC and Grenloch).

Currently, the township does not prepare a formal annual financial analysis of these operations, singularly or as a whole, to determine whether operational revenues exceed, equal, or are less than the operational costs of these activities.

A review of the township's budgets revealed there is no breakout of revenues generated by recreational activities such as the lake, golf course, senior center, and community activity centers. Further, it was not possible from the budgets to determine the appropriations for any of these cost centers because all of the operations were included in general appropriations for the department.

In general, the team found it very difficult, based on the available information, to determine the true cost of any of the operations. Again, there was insufficient information available to the team, and to the public, to determine the extent to which the local purpose tax is being used to subsidize these operations, which seem to be provided for a very specific set of users.

The team prepared its own analysis of user fee revenues, program expenses and the cost of township employees and resources using a similar method as used for recreation programs. Based on that analysis, it appears total costs exceeded revenues by about \$199,367 in 1999.

### **Recommendation:**

**The team recommends the township adopt a structure that would allow for the true reflection of the cost of these operations and revenues collected to offset those costs. The team recommends that cost center(s) be created so that all true costs of any one of the operations can be easily identified. By creating the cost center(s), taxpayers and the governing body will have the information necessary to decide whether it is appropriate for the local purpose taxes to be used to offset the costs of these operations. Fees can then be established based on the true cost of the operations. Again, while the team believes these functions should be self-supporting, it is conservatively estimating a 50% saving over 1999.**

**This recommendation should be implemented in tangent with the recommendation to create a youth sports commission to ensure improved financial reporting and improved development in the adequacy of user fees established by the township.**

**Cost Savings: \$99,864**

## **DEPARTMENT OF PUBLIC SAFETY**

Township code establishes a department of public safety which, according to the code, consists of the four divisions: police, first aid, emergency management and fire service. The following

section discusses the team's observations and recommendations for the police, first aid and emergency management functions. However, a discussion relating to the provision of fire service in the township is included in the fire district report section.

## **DIVISION OF POLICE**

### **Overview**

At the conclusion of 1999, 79 sworn officers, 16 full-time civilians and 42 part-time civilians staffed the police division. The civilian employees consisted of ten full-time and nine part-time dispatchers, six full-time clerical employees and 33 crossing guards. Total 1999 position value for the police division was \$6,713,497, overtime \$184,410, and negotiated agreement allowances (clothing, education, court time, and on call pay) \$104,170 making total staff costs \$7,002,077. The current table of organization is found in Appendix G.

According to the 1998 Uniform Crime Report, Washington Township is classified as a "suburban" community, defined as a predominantly single family residential community, within a short distance of an urban area. The township experiences a crime rate 5.2 points below the Gloucester County crime rate and 4 points below the state average. The chart below depicts how Washington compares with other similar suburban towns:

<b>Municipality</b>	<b>Crime Rate</b>	<b>Violent Crime Rate</b>	<b>Nonviolent Crime Rate</b>
Winslow Township	29.9	4.3	25.6
West Deptford	31.3	1.5	29.8
Washington Township	33.1	1.9	31.2
Monroe Township	34.0	1.8	32.2
Gloucester Township	35.9	4.0	31.9
State of New Jersey	37.1	4.5	32.6
Gloucester County	38.3	2.4	35.9
Cherry Hill Township	44.6	1.8	42.8
Voorhees Township	45.1	3.1	42.0
Deptford Township	69.2	2.9	66.2

During the course of the review, it was noted that there was a positive attitude to bring about changes to the organization. Although the personal commitment was obvious and everyone's candor appreciated, there were some issues that repeatedly surfaced.

While the team primarily found highly competent, educated and dedicated officers at every level of rank, it was apparent the department is undergoing serious conflict. A recurring theme throughout interviews with officers of every rank was the need for stability. The team was able to identify several key factors and events that have contributed to the current lack of stability and low morale. These factors are addressed in this section, and are summarized below.

- ◆ Promotion of lower titled personnel to the chief position.
- ◆ The appropriate authority, meaning civilian responsible for oversight of the police department function, is not clearly designated.
- ◆ Similarly, the line of authority is not delineated.
- ◆ Municipal ordinance addressing the police department structure does not appear to be in compliance with state statute.
- ◆ Police rules and regulations have not been updated and are only current as of 1989.
- ◆ Council has not confirmed the current interim chief.
- ◆ The deputy chief position exists in practice but not in ordinance or rules and regulations.

Another factor contributing to the instability was the shooting of one of the department's officers in the line of duty. The shooting of any police officer is traumatic but, when it occurs within one's own department and community, it is even more traumatic. There is no doubt this horrific event affected every member of the Washington Township Police Department.

The following discussion of the police division (commonly referred to as the police department) addresses the observations of the team and suggested recommendations aimed toward resolving the conflict within the department. For reader ease, Appendix H defines police terms as they are utilized in this report.

### Leadership

The New Jersey Department of Law and Public Safety (LPS), Division of Criminal Justice (DCJ) "Police Management Manual (November 92)" states that municipalities:

*"must have a current and valid municipal ordinance...any such ordinance shall...provide for a line of authority relating to the police function and for the adopting and promulgation by the appropriate authority of rules and regulations for the government of the force and the discipline of its members...only when the municipal ordinance identifies the appropriate authority can valid rules and regulations be adopted and promulgated... each municipality must comply with the sequence of events described in the statute. The municipal ordinance is the essential foundation upon which rules and regulations rest."*

Washington's ordinance contains language relating to both a police director and a chief of police. Although it states the director shall be the chief of police, there is room for misinterpretation since these two positions are very different in nature. A director is permitted by statute in addition to, or in lieu of, a chief of police. A director is a civilian position who serves as the chief administrative officer and may be the appropriate authority of the police force. A chief of police is a sworn officer with police powers who can not, by statute, be the appropriate authority of the police force. The team found that the ordinance does not clearly designate an appropriate authority.

A recent New Jersey Superior Court ruling (318 New Jersey Super. 544 PBA vs. Township of North Brunswick) established that a municipality may opt for a civilian director of police in lieu of a chief of police. If a municipality opted not to name a chief of police, then the director of

police is “vested with such authority, all police officers are subordinate to the director...and the director is entitled to assume duties ordinarily assigned to the chief of police, including directing daily operations of the police department.”

### **Recommendation:**

**LGBR recommends the following course of action:**

- **Revise the police ordinance in accordance with statutes to authorize and appoint a police director who would also serve as the appropriate authority for a three-year transition period. The chief of police position should be temporarily eliminated.**
- **The police director would be an appointed civilian and should have an impeccable law enforcement background with all appropriate educational credentials such that they would have the respect of the department members. Ideally, it would be a former law enforcement officer with no connections or ties to the department or the township.**
- **The director should be someone the mayor and council unanimously agree upon. It is important that they have the complete support of the governing body.**
- **During this three-year transition period, the director’s mission would be to properly structure the department, formulate all appropriate rules and regulations, establish an objective, merit based promotion policy for approval by the elected officials as well as implement the other items mentioned in this report. Also, during this three-year transition period the director would be evaluating potential chief of police candidates from among the force so that, at the end of the three-year period, the director can present a list of police chief candidates to the mayor and council for their consideration.**
- **At that time, all organizational and technical matters should be in order and the township can transition back to a chief of police model with the business administrator or some other appointed official serving as the appropriate authority, if they choose too.**

**While slightly unconventional, LGBR believes this would be a prudent course of action given the unique circumstances present in the police force. There are several different factions within the department as well as deep rooted personality conflicts among officers that would make it difficult for any existing officer to be successful as chief of police at this time. Because the promotion system and command structure are perceived as being flawed by the officers, the team does not think any department officer, qualified or not, would be able to effectively, and efficiently, manage the police force under the present conditions.**

### **Organization**

There are three important documents that are essential to establishing, maintaining and administering a municipal police department:

- N.J.S.A. 40A:14-118 “Police force; creation and establishment; regulation; members; chief of police; powers and duties.”
- The township ordinance or code establishing the police department.
- The Police Rules and Regulations.

These three documents, one that is statute and two that are adopted by the municipality, work together to form the foundation of the municipal police department and how it is organized and managed. It is imperative, for the efficient operation of any municipal police department, these three documents be up to date, integrated and compliment each other. This is not the case in Washington Township and it is at the root of the confusion and instability observed by the team and verified by police officers and elected officials.

N.J.S.A. 40A:14-118 is the statute governing creation and establishment of a police force in a municipality. The team found the township's code (2-9), which establishes the department of public safety and the police division, is not consistent with the enabling statute and needs to be revised and updated. Moreover, the township's police rules and regulations were adopted on April 13, 1989 and have also not been updated.

#### **Recommendation:**

**Township Code 2 - 9 "Department of Public Safety" should be revised, at a minimum, to include some of the key concepts of N.J.S.A. 40A:14-118 and accurately reflect their organizational structure. Further, the department of public safety no longer encompasses fire service or first aid. Thus the code should reflect this.**

#### Authority to Promulgate Rules and Regulations

The township's ordinance also provides the chief of police shall make such rules and regulations concerning the management of the division as necessary. This is in direct conflict with the state statute. N.J.S.A. 40A:-118 clearly states that only the "appropriate authority shall adopt rules and regulations for the government of the police force which the chief of police shall be subject to." In *Baldinger*, >220 NJ Super. 267, 531 A.2d 1087 (L.1987) the court further clarified the statute stating the "chief of police could not be such appropriate authority."

#### **Recommendation:**

**The ordinance should be amended to remove any reference to the chief of police adopting, making or promulgating rules and regulations for the government of the police force. The township should designate an appropriate authority, consistent with the statute, and that person or committee should have the responsibility for adopting and promulgating rules and regulation.**

#### Line of Authority

The centerpiece of N.J.S.A. 40A:14-118 is the concept of establishing a clear line of authority. It strengthened the idea of checks and balances in government by subordinating police power to civilian control. This statute clarifies and strengthens the position of chief of police while simultaneously subordinating the chief to a civilian appointed official (the appropriate authority). This important facet of the statute is absent from the Washington ordinance. The statute specifically requires a line of authority whereby the chief of police (if such position is established) shall be the head of the police force and be directly responsible to the appropriate authority for the efficiency and routine day to day operations.

The statute further delineates line of authority by stating that municipal governing body members shall act in all matters relating to the police function through the appropriate authority and that, conversely, the chief of police shall act through the appropriate authority regarding governing body matters. Because the township's ordinance is silent regarding line of authority and appropriate authority, it is perceived by some police officers and elected officials that the mayor controls the police force and makes decisions regarding its day to day operations. It is true in any organization that when there is not a clearly defined line of authority or chain of command, there exists confusion, miscommunication and leadership voids. The absence of a strictly defined and enforced chain of command also encourages police force members to address concerns directly to elected officials, resulting in reactions to information that is not filtered through the police command structure. The team believes this type of activity has contributed to some of the conflicts currently existing in the department.

### **Recommendation:**

**The team recommends the elected officials and solicitor create a new police ordinance consistent with their form of government that is congruent with the state statute giving special consideration to the three main areas:**

- **police director or chief of police as department head;**
- **line of authority; and**
- **designation of an appropriate authority.**

Once the police ordinance is revised to be consistent with the statute, then the police rules and regulations should be revised and updated. Currently, the rules and regulations are dated April 13, 1989. The new police ordinance will designate an appropriate authority, who will be responsible to adopt and promulgate rules and regulations. As mentioned earlier, the DCJ Police Management Manual, dated November, 1992 provides model rules and regulations for municipal police departments. The appropriate authority can work with the police command staff and elected officials to use these model rules and regulations as the starting point for developing tailored rules and regulations for the township's police force.

In addition, the team notes that major attempts to define professional police standards are found in the accreditation process provided by the Commission on Accreditation for Law Enforcement (CALEA) and the New Jersey Law Enforcement Agency Standards promulgated by the DCJ. These guidelines can provide the township with the standards for formulating policy and procedure to enable the organization to operate in a manner that will advance professionalism in policing.

To ensure members and employees receive orders and directives, the department should implement a general order distribution and receipt process. The process will serve to ensure each employee receives the appropriate documents and is, thereafter, charged with responsibility of reading and complying with its provisions. Without the safeguard of a



**receipting requirement, an employee can construct a defense against a charge of violating a particular directive by denying ever having received the document. Under the present practice, the department could not prove otherwise.**

#### Mission Statement

No single statement of the police mission can be expected to fit perfectly the differing needs, priorities, and capabilities of America's 17,000 state, county, and municipal police agencies. It is important, however, for each agency to express its purpose, philosophy, and values in such a way that members, employees, citizens, and visitors know what the agency stands for. The Washington Township Police Department has no mission statement.

#### **Recommendation:**

**The Washington Township Police Department should begin a strategic management initiative to formulate, implement, and, subsequently, evaluate a set of goals and objectives for the organization along with a corresponding mission statement that articulates the philosophy of the agency. Once prepared, the department should transmit the statement in the form of a directive to its members and employees, and post the statement in a conspicuous place in the public reception area of the police department headquarters facility. Most importantly, each member and employee must be committed to its provisions in their conduct and performance.**

#### Job Descriptions

Although the current duty manual contains a section delineating the duties and responsibilities of each title within the present structure, there are no job descriptions or Bona Fide Occupational Qualifications (BFOQ) enumerated within.

#### **Recommendation:**

**The township should conduct a comprehensive job analysis of all sworn and civilian job titles. Subsequently, the department will be able to establish entry, evaluation, and promotional criteria, which will be grounded in BFOQ standards.**

In 1998, there was a need for a promotion to fill a corporal's position to maintain the staffing goal of one corporal on each shift. The testing procedure was initiated and a list of eligible patrol officers was developed. After the police department generated the list, the requirement of one corporal per shift changed to two corporals per shift. Hence, instead of promoting one patrol officer to corporal, the township promoted six patrol officers to corporal. This impromptu increase of five corporals appears to be unnecessary since every shift was already staffed with one sergeant and one corporal. This type of promotion tactic does not only have an adverse impact on the morale of the force but rather it has an adverse impact on the taxpayer who has to fund the pay increases.

<b>Cost of Making Five Extra Corporals</b>	
<b>Position</b>	<b>Average Position Value</b>
Senior Patrol Officer	\$70,000
Corporal	\$83,000
Difference	\$13,000
Annual Savings	
Times Five Officers	\$65,000

### **Recommendation:**

**A gradual attrition back to one corporal per shift would not adversely affect the chain of command or the effectiveness of patrols. However, using 1999 position values it would reduce expenses by \$65,000.**

**Cost Savings: \$65,000**

In November, 1999, the chief of police retired unexpectedly. The township appointed a detective (equivalent to rank of corporal) as interim chief, with a monthly stipend of \$5,000 in addition to his regular detective salary. At the time of this appointment, the department had a deputy chief, two captains and four lieutenants. It is a standard operating procedure for a deputy chief to perform the duties of the chief in his absence. It is quite unusual to appoint an officer equivalent to the rank of corporal to be acting or interim chief. This gives the perception that personnel decisions are personality or politically based rather than based on a long standing system that encompasses merit, seniority, performance, rank, etc. In addition to the impact on morale, this move also cost the township an additional \$5,000 a month for five months (December, 1999 – April, 2000).

### **Recommendation:**

**The township should support the system they created and maintained, thereby, allowing one of the senior officers to act as Officer-in-Charge until the formal selection process for chief was complete, meaning a nomination by the mayor and a confirmation vote by the council.**

**Cost Savings: \$25,000**

## **Police Operations**

### Overview

The department is organized along line (operations) and staff (administrative) functions. The police department total member strength during the LGBR analysis (1999) was 79. A delineation of the department staffing distribution follows:

Chief of Police	01
Deputy Chief of Police	01
Captains	02
Lieutenants	03
Sergeants	11
Corporals	14
Detectives	06
Police Officers	41

Nine Class II special law enforcement officer employees serve in an auxiliary capacity, from time to time supplementing basic field operations.

Remuneration was received in the amount of \$375,000 for the salaries of five police officers (\$25,000 per officer, per year, for three years) funded by the COPS MORE grant. These five officers started September 7, 1999 and are included in the department total of 79. The grant funding will expire on September 7, 2002 and the township will have to absorb the salaries and benefits upon expiration of the grant. The chart below outlines the approximate cost to the township for the three years following the grant:

<b>Future Budget Implication of the COPS Grant</b>				
				3 Year
Annual Cost to Retain*	2003	2004	2005	Total
	4th Year	5th Year	6th Year	
Five Officers	\$286,115	\$323,820	\$335,460	\$945,395

The police mission is broader than its law enforcement responsibilities. The police mission includes crime control, responding to called-for services assignments, engaging in inspectional patrol activity, and providing a first responder presence at the various and sundry emergency service calls. These are the primary reasons for having a police department and they are among the duties for which the police are uniquely empowered and trained. A substantial portion of agency human resources must be assigned to the department's core responsibility, basic patrol operations. It is from this essential component that the majority of police-citizen contacts occur and public expectations about the role of the police in society are either satisfied or unsatisfied.

Police departments often account for the largest expenditure in municipal government. Their size and visibility in municipal finance make police services the object of close and careful public scrutiny. In growing municipalities, such as Washington Township, the demand for basic police services typically outpace the department's capability to adequately provide critical services. Priority must be given to ensure staffing levels adequately provide for satisfying the basic police function commonly referred to as operations.

Police-to-population ratios are misleading in that they generally account for all sworn members of a police department, whether they are assigned to basic patrol operations or to other

departmental specialization's that might reduce their ability to contribute in some *direct* fashion to public safety. Significant adjustments in the ratio of staff to line personnel (decentralization) are one of several challenges confronting the Washington Township police division.

As for the members of the department, during the team's interviews and observations, it became readily apparent that the organization is desperate for competent, demanding, compassionate leadership and concomitant organizational stability. Though intangible, leadership and accountability have a dramatic influence on the organizational climate in which police functions are conducted. This leadership void constrains the department's ability to provide optimum service excellence to the people who live in, work in, and visit Washington Township. The resultant loss in productivity, which is probably considerable, is, unfortunately, impossible to quantify.

It was difficult for the LGBR team to obtain accurate information about current practices and policies of the police department. Likewise, it was virtually impossible to secure called-for service information because the computer network, including the Computer Aided Dispatching (CAD) component, is obsolete and cannot track or produce the required particulars. The department does not presently have its own internal management information system or retrieval capabilities from an outside source to accurately account for or monitor crime and complaint trends.

Throughout the duration of the review, members of the police department were reassigned and/or advanced in rank, making it extremely difficult to obtain cost information necessary for this analysis. In some cases, up-to-the-dollar position values could not be obtained, requiring the averaging of aggregate position values from 1999 payroll figures.

Due to the recent (December, 1999) appointment of an interim chief of police and a corresponding reorganization of the agency, the team found some members of the executive staff were uncertain of their newly assigned duties and responsibilities. There were obvious gaps and overlaps in the administrative component of the department, due in large measure to the aforementioned personnel adjustments. Much of the uncertainty can be attributed to organizational instability resulting from the appointment of two police chief's (the latter being a temporary, acting chief of police) in the past five years.

The end result was such that the LGBR team did not receive all of the information that was requested. With the information available, however, the LGBR team was able to arrive at conclusions about conditions within the organization that will require attention once the department has stable leadership and a command structure that will be in place for an extended duration.

To indicate that the full amount of requested information was unavailable would leave the reader with a perception that the department was less than cooperative in making the desired data available to the LGBR team. On the contrary, the members with whom we had contact during

the review process were cooperative to a point worthy of praise. The fact that information was not retrieved could not be attributed to any one individual; rather, the inability of the current tracking system to provide such data.

#### Table of Organization

The present structure of the organization as it appears on the department's table of organization is adequate for command and supervisory control; it can be adjusted at the discretion of the chief. While the team found many dedicated members assigned to both the line and staff components, observations indicate a lack of accountability for the attainment of objectives and performance expectations in some areas, due in part to the lack of continuity in important leadership positions. A recent transfer of line and staff personnel and changes to the department's command structure further complicates this issue.

The present duties and responsibilities for the position of deputy chief are inconsistent with the traditional military chain of command. Historically, the deputy chief is the *de facto* executive officer of the department.

#### **Recommendation:**

**If the deputy chief's position is to be continued, the department should consider changing the title from deputy chief to executive officer.**

Regardless of the rank or title, a member occupying the position of executive officer is the person who is second in command of the department. Without an executive officer in a position of authority and leadership, a vacuum is created when the chief of police is unavailable (i.e., sick leave, vacation leave, attendance at conferences, etc.). It was the team's observations that the township is not maximizing its investment of \$112,685 in the position value of the deputy chief under the present structure. For example, the current job description for the deputy chief includes facilities management, court liaison officer, subpoena management, cellblock management, and the requirement to update department policies and procedures. These assignments, while necessary and important, typically are not assigned to a deputy chief.

#### **Basic Police Operations**

The field operations section consists of five patrol teams equally distributed over the 24-hour period. Patrol teams cover the four geographic sectors. Members assigned to patrol teams work on a weekly rotation schedule, which is as follows: 5 x 3, 5 x 3, 5 x 4 in five-day cycles of eight-hour tours. The schedule covers the 24-hour clock with the following tours: 7:00 a.m. to 3:00 p.m., 3:00 p.m. to 11:00 p.m., and 11:00 p.m. to 7:00 a.m. Two members on each team report for their duty tour one hour in advance of the balance of patrol team members to provide an overlap of patrol force availability during change-of-tour activities to minimize overtime costs.

One day each month is dedicated to training during the period January to April and September to December. No training days are scheduled during the period May to August.

Patrol team staffing consists of one sergeant who is the team leader and *de facto* watch commander during the assigned tour. Two corporals act in the capacity of patrol supervisors with oversight responsibility for police officers working the street. Corporals are assigned to geographic areas, which overlap patrol sectors. Six (or seven) police officers (teams A, B, C = 6; teams D, E = 7) are assigned to geographic sectors. Two civilian dispatchers are assigned to, and support, each patrol team. In total, 44 members were assigned to patrol teams in 1999. The primary responsibility of the patrol team is centered on its core duties of maintaining a presence to deter crime and responding to calls for service. Patrol teams are supplemented from time to time with nine class II special law enforcement officer's who perform the duties and responsibilities of police officer on a part-time basis.

Forty-four officers, which equates to approximately 56% of the police force, is assigned to patrol teams. The remaining 44% of the force is assigned to various support functions. To put this in perspective, the balance of members (35) are assigned either to the investigation section or to a headquarters-based direct or indirect support function. Using the department's budget, the team calculated that \$3,709,322 of monies is dedicated to *direct* police services and \$2,914,466 dedicated to the headquarters staff services and support functions. This relationship is clearly out of balance.

The LGBR team attempted to determine a minimum staffing level for the patrol teams. However, a workload analysis could not be undertaken due to the unavailability of information as discussed earlier.

Payroll records for FY99 indicate \$154,715 was spent in overtime costs for members of the department, of which \$118,655 was spent in overtime for uniform forces. For the field operations section, unscheduled absences combined with minimum staffing requirements of one supervisor and five police officers per-tour drive up costs. There would be a significant reduction in overtime costs if the department decentralized its workforce by reassigning members working in police headquarters to patrol teams and restructured the patrol team schedule.

The team learned, through observations and interviews, that there are sworn members performing certain headquarters administrative functions, which could be assigned to civilian employees at a substantial cost reduction.

### **Recommendation:**

**The staffing of certain support functions should be reviewed with the goal of “civilianizing” as many positions currently occupied by members whose job descriptions do not require being occupied by a sworn law enforcement officer. Furthermore, many of the centralized headquarters staff functions could be decentralized and placed under the command of the operations division as a line function. (Sections on civilianization and decentralization are included below.)**

One problem with the department's five-team system is the inefficient utilization of available resources. Two of the five teams are off duty on each workday, resulting in 40% of assigned personnel being unavailable. Vacations, sick leave, and other absences further reduce patrol strength.

Rotating shifts upset the circadian body clock rhythm. This condition usually causes health and safety consequences, including sleep deprivation, which could increase absenteeism, and duty related injuries. Recovery time between tours also negatively impacts on recreation and leisure time activities necessary for maintaining a decent quality of life for the member and his or her family. Many of the members interviewed agreed that fixed tours would be a benefit to the individual and the department and indicated a desire to field test a permanent watch (non-rotating) schedule in the future.

Certain police executives and supervisors indicated calls for services increase on certain days and times. However, there is no data available to indicate when additional resources should be assigned. Patrol teams are equally distributed and deployed and not adjusted to satisfy a proportionate need (workload) formula. A supplemental team can be created and scheduled during high volume periods, with sufficient flexibility to be temporarily assigned on an "as needed" basis for a special event or for an emergent policing necessity. An overlapping team would also ensure unbroken patrol coverage during peak workload periods.

Basic patrol operations are the field operational activities of police officers engaged in the direct delivery of police services to citizens. Basic patrol operations are the most important police function, the activity for which policing was created. This function is usually the largest organizational subdivision of a police department and the only unit that cannot be disbanded. It functions as the nucleus of the department, and all other units should be streamlined to support it.

A reasonable expectation is that the ratio of operations to support services should be around 75%/25%, meaning 59 members should be assigned to direct police services (the patrol force) and 20 members to other functions. The budget breakdown would dedicate \$4,967,841 to direct services and \$1,655,947 to other areas. This adjustment would mean an additional \$1,258,519 of the current budget would be dedicated to the direct delivery of the department's basic, core services.

Implementation of the 75%/25% arrangement would necessitate a decentralization of specialty responsibilities for the present office holders by reassigning them from police headquarters to patrol teams. The department will not lose vital support services. Instead, their respective duties and responsibilities would be transferred with the member from police headquarters to a patrol team. With additional members assigned to patrol teams, the department could augment basic service delivery with a creative, proactive policing strategy that might, for example, include the use of rented (unmarked) vehicles occupied by members in casual clothes. Typically, the use of stealth ("psychological policing") as a street level patrol strategy results in an escalation of arrest activity with a corresponding reduction in crime and disorderly conduct, particularly in specific target areas.

The same 75%/25% relationship can be applied to these individual members who can be assigned ancillary responsibilities such as community policing and traffic safety. For “specialist” members assigned to the patrol team, 75% of their commitment would be to direct services and 25% to their ancillary job description. For example, the actual traffic safety functions of accident prevention and enforcement can be decentralized and assigned to the patrol teams through directed patrols and specific target area traffic safety initiatives. Traffic control and enforcement by patrol team members are desirable because many criminal activities are either prevented or detected through this form of activity. A headquarters-based traffic safety supervisor would assist in the planning and maintenance of the township transportation network while the law enforcement function would be performed at the patrol team level.

Members assigned to police headquarters should serve in executive staff functions and their assigned duties could include the coordination of effort between the executive staff at headquarters and the patrol team supervisors. Administrators should keep in mind the principle that staff support services should be created and/or maintained only when it is clear that specialists can perform a task substantially better than the generalists.

#### Permanent Watch Concept/Decentralization

A permanent watch concept would provide an enhanced quality of police service delivery. The current practice of rotating assignments and tours places limits on a member's ability to perform their duties. Weekly schedule and sector changes prevent members from becoming well acquainted with the streets, buildings, people, hazards, and problems in their area. Members who rotate assignments have a difficult time developing a sense of territorial accountability and the accompanying feeling of ownership for the conditions that exist during their tour of duty.

With or without a permanent watch structure, police assistance could be better deployed and field operations performed more efficiently with the proposed redistribution of personnel. In addition, overtime costs should diminish considerably if a more effective and efficient utilization of members and employees is implemented.

#### **Recommendation:**

**The team recommends the department streamline the headquarters staff support function by implementing staffing configuration detailed in Appendix I.**

**Under this scenario, the executive and headquarters-based support staff would consist of 11 members (or 10 members and one employee: director of police) as opposed to the present 22 members. Given their current work schedule of 1,872 hours per year, the result is 20,592 more hours dedicated to patrol operations.**

**The department should reassign 11 members to the basic patrol component increasing the total complement from 44 to 55. If the department maintains its present five-patrol team concept, each team would consist of 11 members. An option to consider would be the**



creation of a fully staffed power team, or tactical patrol force, to be assigned during high volume hours. Patrol team strength can be reduced from 11 - 10 members, allowing for a five-member task force to supplement the patrol teams as previously indicated.

The department should consider conducting a feasibility study to determine whether rank and file members assigned to patrol teams would agree to field test a permanent watch concept. Inasmuch as the present work schedule is part of a collective bargaining agreement, the distribution, deployment, assignment, and transfer of personnel is a management prerogative. The present work schedule is a result of a negotiated contract settlement. However, the present distribution of this critical component is not cost effective nor is it efficient.

The department should evaluate its field staffing distribution based upon quantitative measurements to determine appropriate shift strength requirements and consider a schedule with members assigned to three fixed tours of duty rather than five rotating teams. Using this system, the strength of a particular shift would be determined by the activity present in the community.

If the department elected to transition to a permanent watch concept in the future, it will be able to assign field resources on a proportionate need basis as opposed to the present equal distribution around the clock, which is inefficient and wasteful. A permanent shift schedule would help facilitate a movement toward a total watch concept, which would further decentralize the headquarters staff support function.

By way of example, the distribution might be represented as follows:

Watch	Tour	% of Workload	Staffing
Midnight Watch	11:00 p.m.- 7:00 a.m.	0%	11 members assigned
Day Watch	7:00 a.m.- 3:00 p.m.	25%	14 members assigned
Night Watch	3:00 p.m.- 11:00 p.m.	55%	<u>30 members assigned</u>
			55 members assigned

If the above-suggested staffing levels (75% - 25%) are employed, the department will avoid having to hire the planned nine additional police officers in 2000. A decision to delay adding the nine officers would save the township approximately \$360,000 in entry-level position values.

**Cost Avoidance: \$360,000**

### **Patrol Sectors**

The team found no quantitative basis for the department's implementing and maintaining the present geographic patrol sectors. The department should establish a databased, service demand evaluation process so that it can adjust sectors for changes that may have occurred since their creation.

## Recommendation:

The department will need to conduct a beat analysis after upgrades are made to the agency's computerized management information system (or access is made possible through outsourcing), in order to determine the patrol strength necessary, by days/hours and geographic location, to deploy its patrol force on a proportionate need basis. A beat analysis must be based on terrain, size, population, demographics, police hazards, and workload.

## Work Schedule

Although the law (N.J.S.A. 40A:14-118) permits and obligates the department's chief executive officer to schedule personnel on a basis that will satisfy a legitimate police purpose, the present collective bargaining agreement may be a constraint against developing an alternative to the present shift schedule in the field operations section.

Any schedule change that would bring the total annual hours worked by each member to 2,080 would increase availability significantly. Using the present patrol force strength number of 44, each member is working 1,872 hours annually for an aggregate total of 82,368 hours. If each member were to work 2,080 hours annually, the aggregate total would increase by 9,152 hours or the equivalent of adding four officers working 2,080 hours, to the current patrol section. Because the 2,080 is still 156 hours below the maximum work year allowed under the Fair Labor Standards Act (F.L.S.A.) there will be a reduction in overtime.

The following table details the potential productivity enhancement of transitioning to 2,080 work hours per year:

<b>Benefit of Taking the Department from 1,872 Hrs. Per Year to 2,080 Per Year</b>			
(1,872 = 36 hrs. p/week, 2,080 = 40 hrs. p/week)			
	<b>1,872 Hrs. Per Year</b>	<b>2,080 Hrs. Per Year</b>	<b>Annual Increase</b>
<b>Total Officers =</b>			
79	147,888	164,320	16,432
<b>Total Hrs Gained</b>	<b>Divided by 2,080</b>	<b>Equivalent to Adding</b>	
16,432	7.90	8 Officers	

<b>Total Productivity Enhancement</b>		
<b>Hours Gained</b>	<b>Avg. Hrly Rate</b>	<b>Productivity Enhancement</b>
16,432	\$24	\$394,368

### **Recommendation:**

**In upcoming collective bargaining contract negotiations, the township should endeavor to negotiate a 2,080-hour work year for each member. The team further recommends the entire department be required to transition to 2,080-hour per year 40-hour per week schedule. According to the New Jersey League of Municipalities Police Salary Survey, Washington Township was the 3<sup>rd</sup> highest paid department in Gloucester County but only one of the two other municipalities works less than 2,080 hours per year. Based on the above survey, the township's annual salary is commensurate with regional compensation for a traditional 40-hour workweek.**

**Potential Productivity Enhancement: \$394,368**

### **Material Resources**

Patrol team supervisors should have access to whatever resources are required to execute their duties and responsibilities. The materials necessary include access to report forms, a workable photo copy machine with replacement paper, and a word processor(s). Not having these basic material resources available for use by field operations personnel causes unnecessary delay in completing work assignments resulting in members occasionally being in "out-of-service" status for protracted periods.

### **Recommendation:**

**Keys to storage cabinets should be provided to patrol team supervisors so they may have access to materials when the supply on hand is depleted. At least one new computer should be purchased for word processing and made available to all patrol team supervisors. The purchase of a computer for word processing would allow supervisors to prepare the necessary paperwork with greater efficiency in less time, and maximize their availability for street-level support functions.**

**One-time Value Added Expense: \$1,500**

### **Community Policing**

The community policing unit is staffed with seven members specializing in community policing functions as well as a multitude of public relations activities which include crime prevention and safety programs, drug education programs, neighborhood watch coordination, facility tours, and domestic violence complaint tracking and case management.

Three members are assigned to various youth education programs (i.e., DARE), in the township school system. Members assigned to the school system during the school year serve at the pleasure of the unit supervisor during off-season months based on their availability; two members assist patrol teams as a supplemental resource focused on specific target areas; one member is assigned to domestic violence case preparation; one member, the unit supervisor, oversees the administration and operation of the unit, coordinates unit activities with and provides information pertaining to neighborhood safety and quality of life issues, to patrol team supervisors, prepares federal and state grants as directed by the chief of police, and prepares, implements, and evaluates various public relations activities.

The unit work schedule is 5 x 2 day tours, and 4 x 3 night tours. Other than those members assigned to schools, the remaining complement alternate between day and night tours at weekly intervals. The day of the week and hours of the day are sufficiently flexible to adjust to workload demands.

Although the unit performs certain field directed patrol activities from time to time; it is essentially a centralized, headquarters-based operation. It may be that members assigned to patrol teams actually believe it is not part of their mission to involve themselves with community-policing concerns because the department has a unit for that very purpose. Under a contemporary community-policing paradigm, many of the duties and responsibilities of the unit can be decentralized to the patrol team level.

Traditional policing concepts of preventative patrol and rapid response have become widely accepted tactics. However, random patrols can only produce random results and they do not necessarily focus on specific community concerns. A problem oriented, community policing strategy has implications for every aspect of the police department; it is a philosophy, management style, and a department-wide strategy that promotes proactive problem-solving and police-community partnerships to address the causes of crime, neighborhood safety, and quality of life issues. Community policing is an attempt to offer an alternative to random preventive patrols through a variety of directed patrol tactics designed to match the safety and security needs of specific neighborhoods with the resources and capabilities of the police department.

Quantitative performance measurements for community-policing are difficult to develop because of the intangible goals of the program. Ideally, if this unit is decentralized, it can be deployed as part of a patrol team or supplemental patrol force whose efforts can be directed to specific target areas as necessary. Thereafter, reductions in crime, incidents of disorderly conduct, and neighborhood quality of life issues could be quantified and the community-policing initiative subject to measurement. Presently, there is no measuring of results to describe (and judge) the program's accomplishments in the aforementioned areas.

### **Recommendation:**

**The team recommends six members be reassigned to basic patrol operations and the community-policing unit (office of community relations) fall under the operations division. The reassigning of members would result in the transfer of approximately 11,232 (based on 1,872) hours from administration to the operations component of the police department - a more cost-effective use of existing resources. At the average hourly staff cost of \$24 the township would enjoy a productivity enhancement of \$269,568.**

**Productivity Enhancement: \$269,568**

## **Investigation Section**

The investigation section is comprised of one lieutenant who is the section commander, two sergeants who are section supervisors, and ten detectives. Six members are assigned to general investigations (Major Crimes), and three to special investigations. The current aggregate average position values for members assigned to the investigation section are \$1,090,178.

Investigation section generalists work a 5x2/4x3 day/night schedule rotation covering the hours of 8:00 a.m. to 8:00 p.m., Monday through Friday, with sufficient flexibility for adjustments based on workload, follow-up investigations, appointments, etc. After 8:00 p.m. when the workload reportedly diminishes, round-the-clock coverage is maintained through a “call-back” provision of the on-call duty detective. Members are on on-call status for a period of one-week (including weekends when there is no staffing) at intervals of every nine weeks. Each member works 1,872 hours annually.

The unit members typically work tours of duty, which are sufficiently flexible to meet the unique demands of their job description.

Due to a work-related injury from the field operations section, one corporal is temporarily assigned to conduct background investigations.

There are open billets for three additional detective positions, two of which will be assigned to the juvenile unit. The approximate cost for the proposed increase in staffing is \$252,315 in position values, bringing the total cost of the investigation section in position values to \$1,342,493.

In part, because of department reorganization, and in large measure due to the lack of a management information system, it is not possible to quantify staffing levels and distributions or analyze the investigation section workload. A benchmark noted in “Local Government Police Management,” published by the International City Management Association (ICMA), is the assignment of between 10% and 20% of a police department’s members to the investigation section. Current and proposed staffing levels are within that range.

The newly assigned investigation section commander is in the process of formulating and implementing a hard copy record system to capture the necessary information presently unavailable for LGBR team analysis. While any system is better than no system, any future records management process must be part of a larger, computerized, department-wide management information system network, as discussed below.

## **Recommendation:**

**With the department, division, section, and team reorganization currently in progress, the Investigation Section should remain status quo. In the future, a quantitative analysis must be undertaken to validate (or refute) both staffing levels and workload variables with present and immediate future deployment and distribution decision making.**

**Productivity Enhancement: \$78,416**

### Management Information Systems and Dispatch

As discussed throughout this section, the team was unable to secure the necessary information regarding police activity due to the lack of appropriately maintained record keeping. Although the police department has Computer Aided Dispatching (CAD) capabilities, the system is in need of an upgrade and is dysfunctional as part of a management information network. The police department executive staff is not able to generate desired information from the system. It has been approximately five years since there has been an analysis of called-for-services. The computer system is not presently capable of managing the information. Likewise, there is no day-to-day crime analysis. As a result, the police department executive command staff has no idea of the number, type, place, and time of calls for service upon which to base decisions about the distribution and deployment of patrols.

### Communications Center

There is a dispatch center in the police building. The annual cost of operating this local dispatch center for the Washington Township Police Department in position values is \$541,247 annually. With equipment procurement and maintenance costs factored in as well as overtime, the total cost is close to \$600,000. This cost would be eliminated from the municipal budget if the department elects to transfer dispatching responsibilities to the Gloucester County Emergency Communications Center.

Subscribing to the county center eliminates other costs not readily obvious. Vacancies created by the absence of a civilian dispatcher would no longer require replacement staffing by an employee at overtime cost or by a member assigned from the duty tour. Both situations are costly.

The county center dispatches and coordinates fire and emergency medical services for *all* 24 municipalities in the county, as well as 17 police departments. A cursory review of the intentions and capabilities of the Gloucester County Emergency Communications Center indicates the center will be able to manage the dispatching duties and responsibilities of the Washington Township Police Department by the year 2001. This has been verified by direct contact with Gloucester County Emergency Communications Center administrators. According to the Gloucester County Treasurer's Office, the additional annual aggregate cost to the taxpayers of Washington Township is approximately \$50,000.

In addition to providing routine dispatching services to the police department, the county center provides direct fiber optic technology to participating agencies making immediately available a complete menu of up-to-the-minute CAD data - data that cannot be retrieved with the present local system. If the township subscribes to the county system, the department will have immediate access to a state of the art management information system, a valuable resource for information-driven decision making and strategic planning, with no impact on the township budget. There would be no need to upgrade the department's present inadequate system, the cost of which would be considerable. Instead, the department would be provided with a computerized management information system.

## **Recommendation:**

**The police department should study the feasibility of transferring its local dispatching center functions to the Gloucester County Emergency Communications Center. In so doing, the township should work with the county coordinator to ensure the center has adequate resources to handle the number and type of calls that would be generated from the township. The township is also encouraged to work with the county to ensure that township dispatchers will be eligible to apply for vacancies created or vacated at the county center.**

**The estimated adjusted savings (\$600,000 minus \$50,000 annual subscriber fee) would be \$550,000.**

**Cost Savings: \$550,000**

## Civilianization

A police officer represents a significant investment, beginning with recruiting and candidate selection. Training and equipping a police officer is not a one-time expense. Wages, benefits, and continuous training extend the initial cost over a 25 - 30 year period. Thus, a civilian should be assigned to job descriptions that do not require occupation by a sworn law enforcement officer.

The objective of civilianization is to maximize the number of members assigned to the traditional patrol and investigative functions of the department. The use of civilian employees in job descriptions traditionally performed by sworn members has increased rapidly in recent years as police departments have sought to reduce costs and assign more members to basic patrol operations. The trend toward greater and more varied use of civilians is encouraged and supported by federal funds. Police departments should assign civilians to positions that do not require the exercise of police authority or the application of special skills, or aptitudes of a professional law enforcement officer.

The use of civilian employees reduces overall costs. The savings from civilianization are due, primarily, to lower civilian position values and significantly reduced overhead and training costs, while concomitantly allowing sworn members to be freed for assignment to more critical duties.

There are four members assigned to perform administrative duties (one police officer, one corporal, and two sergeants) who should be reassigned to the field operations section and replaced by civilians. The aggregate annual position values of the indicated members performing what are essentially clerical support functions is approximately \$322,527. By comparison, a reasonable position value for an entry level clerical position is \$32,500 or \$130,000 for four positions. If the members are replaced by civilians the difference in cost would be \$192,527 annually.

The position of deputy emergency management coordinator should be civilianized as well, particularly if the township adopts the recommendation discussed under emergency management.

Provided applicants possess the technical proficiencies required for a particular job description, civilian employees can occupy critical positions in planning, research, crime analysis and management information systems, training, and public relations and crime prevention.

In March of 2000, the department received a COPS MORE federal grant that requires the hiring of one civilian to free a sworn member for reassignment to basic patrol operations. The department intends to hire a retired member to fill the position (statistics and analysis and management information systems), clearly a job description that could be performed by a civilian. Whenever the department is able to reassign a sworn member to basic patrol operations and replace that member with a civilian employee, it is a considerable benefit to the township.

#### **Recommendation:**

**The department should consider replacing sworn members with qualified civilian employees in any job description not requiring the services of a professional law enforcement officer. The department can maximize its authorized strength by reassigning members to line functions and hiring civilians to staff what are essentially clerical administrative support functions within police headquarters. Civilianizing four positions currently occupied by law enforcement officers would transfer 7,488 hours of work annually from headquarters staff support functions to direct field operations.**

**Value Added Expense (civilians): \$130,000**

**Productivity Enhancement (7,488 hours x \$24): \$179,712**

#### **Police Report Interview Unit (PRIU)**

From time to time, citizens enter police headquarters to report an incident as a matter of record (i.e., for insurance purposes). This situation causes two immediate consequences: 1) When this happens, the complainant often must wait, sometimes for an extended period, for a member to arrive at police headquarters to receive a report, a condition which is an obvious inconvenience to the public; and 2) A sector car is temporarily redirected (placed in out-of-service status) from field operations to police headquarters to receive the report.

#### **Recommendation:**

**The department should create a PRIU within central records utilizing the clerical support discussed above. The civilian clerks should be trained and authorized to prepare minor incident reports. The addition of a PRIU would obviate the need to summon a member to police headquarters to receive reports, thus, leaving a sector or area uncovered for the duration. The PRIU policy could also be modified and enhanced to include the reception of minor incident reports over the telephone.**

**A civilianized PRIU function would serve to increase the number of hours available for law enforcement related field operations.**



### Lexington Plan

The Lexington Plan is a non-contract management decision to permit members of the department to be permanently assigned radio cars for take-home use. This plan was initiated in 1985 to include only those sworn members residing within the jurisdiction of the Washington Township Police Department, primarily to provide a high visibility presence of marked radio cars, although now all members are assigned vehicles.

A review of department records revealed a document dated October 31, 1985 entitled, *Lexington Plan Policy* signed by Frederick W. Reeve, chief of police, and transmitted to all personnel. One provision of the directive provided that assigned radio cars could be taken home by members, provided the said members reside within township boundaries. However, a copy of the directive provided the team contains handwritten notes, indicating a change in policy was instituted on January 1, 1989 adjusting the take home provision to include members of the department regardless of where they reside.

An immediate threat to the continuation of the plan is the potential Duty-to-Act civil liability issue. Although the aforementioned department policy directive contains language that requires members to “respond-to-calls”, there is no notice to members concerning the Duty-to-Act requirement in the order.

There is no language concerning call-back/overtime compensation if, and when, a member acts under color of office during off-duty status. The costs of overtime, workers’ compensation, and the inherent possibility of civil liability litigation against the township cannot be anticipated or quantified. In the event a member acts, or fails to act, while operating a radio car within, or outside of, the jurisdiction of Washington Township while in an off-duty status and some unintended consequence occurs, the financial repercussions to the township are potentially catastrophic. The township must consider the cost versus benefits of the Lexington Plan, not only the costs that can be quantified, but the potential costs associated with civil litigation as well as potential employee grievances arising out of the township's failure to compensate under the provisions of the Fair Labor Standards Act.

An additional safety and liability threat is that, in some cases, non-resident members in the custody of radio cars may not be able to access the dispatching center as a result of being out of radio frequency range. Should a situation arise requiring the transmission of an emergency radio message, a possible communications failure represents a potential threat to the public safety, as well as, to the member of the department.

Information received from the police department address and telephone list indicates that 19 of 79 members live outside of the township. Using an internet software program ([www.mapblast.com](http://www.mapblast.com)) a calculation of total annual round trip miles traveled to/from police headquarters reveals that approximately 92,610 miles are traveled by non-resident members. This figure is arrived at by multiplying round trip miles by five working days, multiplied by 49 weeks. This figure assumes 15 leave days or other absences per member.

The objective of the Lexington Plan is to maximize the availability of department members, as well as, creating an aura of omnipresence. However, while availability and visibility are the intended outcomes of the plan, the municipality actually loses the 92,610 miles each year, as well as, the associated costs of direct service to the township by authorizing non-resident member use of radio cars.

Sixty members of the department (76%) reside in the Turnersville, Sewell, and Grenloch communities and are considered township residents. Using the same calculations as were used for non-residents, 94,080 miles were traveled to/from police headquarters by resident members.

New Jersey State Police estimates the cost of maintenance, including gasoline, for a typical radio car at \$.23 per-mile. Based on total annual round-trip miles traveled to/from police headquarters by non-resident members, the estimated cost is \$21,638. Similarly, the cost for non-residents, based on 92,610 miles, is \$21,300. In summary, nearly 200,000 miles are traveled by members going to, and returning from, work while on off-duty status under the current Lexington Plan costing the township approximately \$42,938.

The township insurance broker indicated the annual cost per radio car for insurance coverage is \$500. If the Lexington Plan is discontinued and the fleet reduced to 40 radio cars, the township would save approximately \$20,000 annually in insurance costs.

Additionally, the township will also experience a significant cost avoidance in trunk contents, decals and replacement vehicle costs. Specifically, the township typically spends about \$584 per car for decals and trunk contents and purchases an average of ten police vehicles per year. Therefore, if the police department chooses the best ten radio cars out of the present fleet, they will avoid the purchase of ten new radio cars for one subsequent year. The remaining 35 radio cars can be sold at municipal auction.

The following table summarizes the estimated costs of the township's policy:

	<b>Commuting Miles</b>	<b>Cost @ \$.23 p/mile</b>
<b>COST SAVINGS</b>		
Non-Resident Commuting	92,610	\$21,300
Resident Commuting	94,080	\$21,638
Sub-Total	186,690	\$42,939
Insurance Savings from reducing 35 Radio Cars		\$17,500
<b>COST AVOIDANCE</b>		
Replacement Cost 10 Radio Cars		\$250,000
Trunk Contents & Decals		\$5,840
<b>REVENUE ENHANCEMENT</b>		
Sale of 35 Radio Cars		\$105,000

## **Recommendation:**

**The team recommends the township eliminate the Lexington Plan and reduce the fleet by 35 radio cars. The plan, as presently proscribed, does not adequately satisfy its intended objectives in relation to the costs associated with maintaining the current policy. In summary, the township would save \$61,439 per year in maintenance and insurance, avoid purchasing 10 new vehicles (\$255,840) and be able realize a one-time revenue enhancement of \$105,000 by selling 35 cars.**

**Cost Savings: \$61,439**

**One-time Revenue Enhancement: \$105,000**

**Cost Avoidance: \$255,840**

Should the township chose to maintain any form of the Lexington Plan, the municipal attorney should assist the chief of police in the formulation of a policy that considers the issues of civil liability as well as compensation for members acting under color of office during off-duty status mandated by the FLSA as a condition of employment. If a hybrid Lexington Plan is designed, these issues must be addressed and clearly articulated in a revised department procedure so that performance expectations are delineated and understood by members of the department participating in the plan.

### Performance Evaluations

Performance evaluation review is the systematic audit of a member's job-related performance by his or her immediate supervisor. The credibility of the process is connected to the commitment of the department and the ability of its managers to administer and properly conduct evaluations. Subjectivity can be controlled if the system is administered fairly, job-relevant performance criteria are used, and supervisors are trained to understand and administer the process.

Written performance evaluations are valuable as a means of giving members credit for satisfactory and superior performance and affording an opportunity for calling attention to unsatisfactory and inadequate performance. Properly prepared written performance evaluations form the basis for constructive employee counseling, identification of individual, unit, and department training needs, promotion and advancement qualifiers, and documentation for disciplinary action. The present review system may be a threat if it is perceived to be inequitable, particularly, if the scores are factored into a promotional process. A restructuring of the procedure would likely enhance productivity if the individual member realizes he or she must satisfy minimum unit performance expectations.

The Washington Township Police Department presently has a performance review process in place mandating the preparation of a written performance evaluation report for each member on a biannual basis. While the agency's performance evaluation process is admirable, the department should consider fortifying the protocol with a provision for the immediate issuance of a progress report or deviation from standard report if/when a member exceeds or fails to satisfy performance expectations. In addition, members must receive advanced written notice of performance expectations for their respective duty assignments, and supervisors must be thoroughly trained in the performance evaluation review process.

## **Recommendation:**

**Before the Washington Township Police Department could implement a command inspection initiative, written standards must be in place for each objective upon, which a member being rated is to be evaluated.**

**The members of each unit should be rated on a point scale and their individual rating recorded in relationship to their respective unit's mean average. This safeguard would prevent a member from being compared with other members on a department-wide basis whose duties and responsibilities vary and whose supervisors may have diverse rating tendencies.**

### Promotional Standards

The department is obligated to ensure the continuing presence of an abundant pool of candidates who possess the personal attributes, academic preparation, and formal training to meet the demands of contemporary leadership and executive responsibilities. The growth and development of its members proceeds on a continuum through incremental advancement in rank over time.

The number of years required to accumulate the technical proficiencies for advancement to executive level positions will vary by individual. However, recent promotions involving staff advancing several ranks at a time has resulted in a perception that appointments, transfers, and promotions are politically driven and not necessarily connected to professional standards in the candidate selection process. Unfortunately, this is the result of an ineffective process or the lack of a process at all.

The present process is arbitrary and inconsistent and lends itself to the perception that the factors and criteria for eligibility are selectively adjusted from time to time and/or modified on a case by case basis.

Under the guidelines of the collective bargaining agreement, the department is reimbursing members for tuition, providing time off during work hours for class attendance, and concomitantly paying members for credits received as incentives to pursue law enforcement related college courses and degrees. The police department annually appropriates \$31,457 in tuition reimbursement and \$30,153 in incentive pay for members enrolled, or who have completed, college degree programs. Payroll records indicate the department spent \$61,610 to fund the program in 1999. The investment of monies must be connected to a consistent, routine, uniform, and predictable promotional process that takes into consideration academic achievement.

The residuals to the department cannot be quantified. It is axiomatic that an educated member is an asset to the department. In order to quantify the cost/benefit relationship at a future date, the acquisition of college credits should be factored into the promotional process and be a part of a formally established path-goal track for participating members; it would certainly enhance organizational morale and help remove the perception that promotions are subjective.

### **Recommendation:**

The college incentive program should be connected to the promotional process along with consideration of factors such as technical proficiencies, performance evaluation review, logic and writing skills, time in service, and time in grade. Police personnel should, at least, be as well educated as the contemporaries whose conduct they will be expected to affect.

By way of example, the following criteria for academic consideration is offered:

<u>Rank</u>	<u>Educational Qualifications</u>
Sergeant	Associate in Arts Degree
Lieutenant/above	Bachelor of Arts or Science Degree

The department should issue notice to its members that the selected standards for promotion will take place at a specified future date, thus, ensuring membership participation at the earliest possible opportunity. Both the individual member and the department benefit from this process; the best qualified candidates are able to advance to supervisory and executive level positions within a consistent, formalized promotion process. The department should establish an eligibility list on the basis of a competitive examination from which future promotions would be announced.

The promotional process should be a major initiative in the department's overall strategic planning effort and, over the long term, serve to upgrade the professional status of the organization. Appointments, transfers, and promotions should be made on the basis of qualification and merit without regard to political affiliation, internal or external.

The township should not pay twice for the education of its members. The township should strive, through negotiations, to eliminate the tuition reimbursement. The members would still be rewarded for college education via the incentive pay provision.

**Potential Cost Savings: \$31,457**

### Candidate Selection (Hiring) Process

Like the promotion process, there is no consistent, routine, uniform, and predictable competitive candidate selection process that articulates the basic qualifications and standards for the position of police officer to attract the best-qualified applicants. The department's failure to maintain a formal process can lead to litigation (negligence in hiring), which could result in catastrophic financial consequences to the township.

### **Recommendation:**

The entry process should include, but not be limited to, written, oral, medical, physical ability, and psychological examinations based upon bona fide occupational qualifications for the position. Screening and selection methods must be standardized for all applicants. The methods must be consistent from year to year and defensible in court. Continuous

changes to the process infer political influence on the candidate selection process. Unwavering adherence to principle should guide the formulation of entrance and promotion decisions; the most qualified applicants must invariably be selected for appointment and promotion.

### **Supervisory Training**

The most important of all supervisory and management training is provided when police officers are promoted to the rank of sergeant. After the transition from civilian to recruit, no police career step is more important than this.

The police department provides probationary members with formal education, training, orientation, and socialization through its field training officer program, which assists new hires with integration into the organization. There is no formal training regimen for entry level supervisors. The absence of a training program for new supervisors exposes the department to negligent failure to train litigation in the event a supervisor orders an action that results in unintended consequences and causes harm to another. The supervisor is the antecedent in a chain of events.

### **Recommendation:**

**The department should formulate, implement, and evaluate a training regimen for newly promoted supervisors, similar to the field training officer model. Successful completion of training in the form of command, leadership and supervisory management should be mandated as a condition for retention in rank.**

### **Burglar Alarms**

The township does have an ordinance (4 - 6A) that requires penalties for false alarms. However, it appears the ordinance is not being enforced by the police. Therefore, no revenue is being generated. Once again, the lack of a sound records management system precludes the team from knowing the actual number of false alarms the police responded to in 1999. Using the fire district record of false alarms the team determined there were at least 350 false alarms in 1999.

### **Recommendation:**

**The appropriate authority for the police department should issue a directive to have the police department begin enforcing the ordinance and assessing the appropriate penalties. This action would, of course, generate additional revenue for the township. The exact amount is difficult to predict since the ordinance allows each location two false alarms per month and has graduated penalties for multiple false alarms. Assuming that only 25% of the 350 false alarms (88) were first time offenses punishable by a \$50 fine, the township could have generated \$5,000 in revenue to offset the cost of false alarm responses.**

**Revenue Enhancement: \$4,400**

### **Body Armor**

The township does provide bullet resistant vests for its members. In 1997, the DCJ instituted a “Body Armor Replacement Program” whereby one dollar from certain traffic tickets is collected by the state. The funds are then distributed back to the municipalities to fund the purchase of replacement vests (which typically have a life span of five years). The municipality needs to submit a grant application to receive annual funds to replace a maximum of one-fifth of the vest of their complement of full-time, sworn officers.

From the material and records presented to the team it appears the township has not benefited from this program nor applied for the grant.

### **Recommendation:**

**One-fifth of Washington’s sworn police officers amounts to 15 people. Therefore, under the above program the township is eligible to apply for funding of 15 vests per year. The township should file the grant application for 15 vests and, if successful, will realize a revenue of approximately \$7,500.**

**Revenue Enhancement: \$7,500**

### **Clothing Allowance**

Pursuant to the provisions of the agreement between the Township of Washington and the Policeman's Benevolent Association of New Jersey, Local 318 (Article XIII: *Clothing*), each member receives an annual allowance of \$1,050 for the maintenance of clothing. The township provides an initial issue of clothing (the standard uniform) which includes shirts, trousers, shoes, overcoat, badges, raincoat, ties, nameplates, and insignias of rank. Thereafter, it is the responsibility of the individual member to replace articles of clothing when necessary. The cost to the township for maintenance of this contractual provision is \$82,950 annually.

### **Recommendation:**

**The contract should be negotiated to eliminate the clothing allowance provision. Clothing could be replaced upon approval on a quartermaster exchange arrangement on an “as needed” basis. The department could negotiate a realistic maintenance provision similar to New Jersey State Police policy. A \$500 per member allowance would cost the township \$39,500 and represent an annual savings of \$43,450.**

**Potential Cost Savings: \$43,450**

## **DIVISION OF EMERGENCY MANAGEMENT**

### **Overview**

The township’s administrative code establishes a division of emergency management services, emergency management council, and emergency management coordinator within the department of public safety. In practice however, it appears the emergency management function is closely tied to the department of municipal support services, not the department of public safety.

In layman's terms, the purpose of emergency management is to ensure continuity of government should an emergency situation, whether it is a natural disaster (hurricane, snowstorm, etc.) or manmade disaster (hazardous material spill, nuclear blast, etc.), occur. There are four phases of emergency management. The first is mitigation activities geared toward eliminating or reducing the probability of a disaster occurrence. Next is being prepared to respond in the event of an emergency. Third is being able to provide response activities designed to address immediate and short-term effects at the onset of the emergency to offset injuries and loss. The last phase is short and long-term recovery, including restoring critical services to the community, providing for the basic needs of the public and restoring the community to its normal state.

Primary to this function is development and implementation of an emergency management plan and its accompanying "annexes" which establish responsibilities for each of the key components (i.e., public works, fire and rescue, hazardous materials, law enforcement, etc). The township has a current plan that was provided to the team in electronic format. However, the team was unable to procure a physical copy of the plan to review any attachments. Staff indicated the plan was currently under review at the county and state level and that the full plan was with those agencies. Although staff thought a copy of the plan was available in the township clerk's office, the team was informed by the clerk that it was not.

### **Recommendation:**

**The team recommends that a full copy of the plan be maintained in the township clerk's office and in the emergency management office. A full copy should always be available to be followed in the case of an emergency. Ideally, all departments and agencies responsible for an annex should have a full copy of the plan.**

### **Staffing**

As of 2000, the township has two full-time staff primarily assigned to performing emergency management functions. The coordinator (EMC) is an employee of the department of municipal services and the deputy coordinator is a patrolman. The coordinator estimates that he spends about 70% of his time on emergency management functions, the remainder of his time is spent assisting in supervising public works functions and right to know activities. The deputy coordinator estimates that about 75% of his time is spent on emergency management functions and the remainder on police functions. It appeared to the team, both through observations and interviews with other township staff, that the percentage of both employees' time spent on emergency management is greater than 70%, but for discussions purposes, the team will utilize 70% and 75%. By terms of the Municipal Services Supervisors and Coordinators Agreement, the EMC has to work 40 hours over the seven-day period. The contract also specifies that he receives \$50 per weekend for carrying a beeper. Assuming he takes five weeks of vacation a year, the potential payment would be \$2,350 per year.

Seventy percent of the EMC's position value is \$48,450. Adding the \$2,350 per year for the beeper, the EMC position cost the township about \$50,800 in 1999. There was also \$4,618 paid in overtime but, that cost was offset by insurance reimbursements. Similarly, although the deputy coordinator was not actually appointed until December of 1999, the team prepared an



analysis of 75% of the township's cost for the position in 1999 to determine the potential cost to the township in 2000. Seventy-five percent of the deputy's 1999 position value is \$57,864. At 1999 costs, including salaries and benefits (which are both more costly in 2000) staff cost is about \$108,664. The township receives \$4,000 annually in the form of a grant from the Federal Emergency Management Agency (FEMA).

In addition to the full-time staff, there are several other township and fire district employees involved in responses to and preparation for emergency management situations. For instance, there is one emergency management officer assigned to each police platoon (five total). Also, the director of municipal support services and the supervisor of public works assist in the planning, attend required meetings, and are responsible for specific phases of emergency management in relation to public works operations. Department of administration and finance staff process checks received from billing. All of these staff costs are not included in the \$108,664 mentioned above. In addition, these staff costs do not include the actual delivery of services in an emergency situation.

It is unique for a municipality to have so many resources dedicated to managing the emergency management operation. Further, it appears the township has a limited risk of disaster because it is landlocked, does not have significant hazardous industry and, although there is an airport in the county, it is not in the township. It appears the largest risk is in regard to vehicle accidents and potential hazardous spills relating to accidents. The team contacted staff of the New Jersey State Police and emergency management professionals in an effort to justify having two full-time staff dedicated to this management function. The team also considered other emergency management operations reviewed by LGBR. With the exception of one municipality that serves as a regional hurricane center, LGBR has not seen an emergency management operation with such a concentration of staff. In addition, discussions with other emergency management personnel confirmed that generally, emergency management is assigned as a part-time function, the amount of time and stipend depending on how many staff members are involved, including deputies.

### **Recommendation:**

**The team recommends that the emergency management function be reduced to less than full-time responsibilities. The team estimates that the combined effort of the EMC and the deputy should consume on average about 10 hours per week, particularly now that the plan has recently been updated. A reasonable compensation for the coordinator and deputy would be between \$5,000 to \$10,000 each, depending on the division of responsibilities and time on task. The team is assuming the cost of the EMC and deputy to be \$15,000.**

**Cost Savings: \$93,664**

### **Coordination**

Further, the team was unable to justify the emergency management operation and center being based in the municipal support services department. Aside from plan preparation, it appeared that responding to scenes of accidents was the major function of the emergency management personnel. It would appear, based on the type of risks to which the township is subject, that

coordination of emergency management would logically be a function of the fire district, which is already responsible for the fire and rescue and hazardous materials annexes. The team believes that a uniformed officer is appropriate for the deputy coordinator position.

### **Recommendation:**

**The team recommends the township, in conjunction with the fire district, study the feasibility of transferring the emergency management coordination function to the fire district, with the deputy coordinator function being performed by department of public safety personnel.**

## **DIVISION OF FIRST AID**

### **Overview**

The township's administrative code establishes that the division is to be headed by the captain of the Washington Township Ambulance Association. The division is to perform all appropriate functions associated with efficient administration of first aid and ambulance service for the citizens of the township.

In practice, the Washington Township Ambulance and Rescue Association provides emergency medical services for the township. As a result of an agreement reached between the association and the fire district, the association transferred rescue services to the district in October, 1998, when the association no longer had enough volunteers to provide rescue services. The association continued to provide the emergency medical services. Paramedic staff from Underwood Hospital provides Advanced Life Support (ALS). The Underwood staff works out of the building adjoining the fire district's administrative offices. In exchange for the office space, district personnel are given emergency medical training at no cost.

It is the team's observation that the first aid and ambulance service is being delivered in a way that does not comply with the township's administrative code. There is no township oversight either through the department of public safety or township administrative staff. Further, as an incorporated, not-for-profit organization, the association is not a branch of the township government. Therefore, the team did not have access to financial, budgetary or management files. However, the captain of the squad did graciously agree to meet with the team and provided useful details in regard to the services.

The association currently has about 23 volunteers, one headquarters in the Whitman Square section of the township, four ambulance units and a captain's vehicle. The team obtained run information from the county dispatch center, although the center was unable to provide information regarding squad response times. During 1999, there were 2,605 calls for emergency medical services. The captain estimated there is an approximate 10% refusal rate for transports.

### **Financial**

The squad bills for services, including transports and disposable supplies, and uses a third party collection agency for processing of the billing. According to the captain, the association bills

approximately \$240 per Basic Life Support (BLS) transport, although not all of the \$240 is realized for every transport, as discussed below. The association receives reimbursements from Underwood Hospital in the amount of \$192 for each Advanced Life Support (ALS) transport. The township ceased providing an annual appropriation to the association when it began billing for services.

A review of the township's schedule of commercial vehicles revealed there are five ambulance units covered under the township's insurance policy, including a rescue vehicle that was sold in 1998. Township staff indicated they were unaware the rescue vehicle had been sold but indicated the insurance policy would be updated immediately. The approximate cost to the township for 2000 is \$2,500, or \$500 per vehicle.

### **Recommendation:**

**The team recommends that the association reimburse the township for the cost of the insurance. The township should also ensure that the rescue apparatus is taken off the insurance policy immediately.**

**Cost Savings: \$2,500**

As with many volunteer emergency services, the association had to engage the services of paid personnel for weekday coverage, when volunteer availability is at its lowest. The association has a contract with a healthcare provider for provision of Emergency Medical Technicians (EMTs) between the weekday hours of 4:00 a.m. and 6:00 p.m. The provider's employees are stationed in the association's headquarters and use the association's apparatus to respond to calls.

**The association is commended for responding to the needs of the community by contracting for provision of services and billing for delivery of services.**

The team inquired about the amount collected during 1999 from the billing reimbursements. The captain noted that he was not comfortable providing that information. As mentioned, because of the association's status as a private association, the association is not required to report any financial information to the township, the public, or the New Jersey Department of Community Affairs (DCA). Therefore, the team was unable to gain that information. However, based on the information gathered regarding the billing practices, number of runs and LGBR benchmarks, the team was able to estimate 1999 collections.

The following table depicts potential collections. Assumptions are: average billing \$240 per Basic Life Support (BLS) transport (including Medicaid and Medicare); receipt of \$192 for advanced life support transports; 10% of the basic life support calls refuse transport; and collections in the township fall within the normal range of 60% to 80%, the benchmark utilized by LGBR.

<b>Potential Revenues Generated by Billing</b>								
	Estimated Number of Transports	At \$240/\$192 Per Transport	If 60% Collection Rate	Minus 9% Adm. Fee	Net Collections if 60% Realized	If 80% Collection Rate	Minus 9% Adm. Fee	Net Collections if 80% Realized
BLS	1,429	\$342,960	\$205,776	18,520	\$187,256	\$274,368	24,693	\$249,675
ALS	1,017	\$195,264	\$117,158	N/A	\$117,158	\$156,211	N/A	\$156,211
<b>Potential Collections</b>					<b>\$304,415</b>			<b>\$405,886</b>

It is possible, therefore, that the association may have collected between \$304,415 and \$405,886 in service reimbursements, depending on the collection rate. The team believes that based on the township's demographics, the association is probably realizing close to 80% collections.

Information regarding the amount collected from the association's membership drive was also not available. Assuming only 50% of the 13,150 township households contributed \$20 each, the association would have generated an additional \$131,500 in 1999. The team believes this figure is artificially low, however, because \$20 is the solicited cost for a single person household and because the brochure is written to encourage participation, as discussed below.

Township staff provided the team with a copy of the contract between the Kennedy Health System, the association and township for the period covering March, 1998 through March, 1999. The contract sets the hourly rate per EMT between \$10.215 and \$13.790 to include salary and benefit cost. The team spoke with the Kennedy Health System staff member who oversees the administrative aspects of the service provision. Based on two Kennedy staff assigned for each of the three shifts (at the average hourly rate of \$11.04), the team calculated the cost of the contract to be \$126,298 as follows:

<b>Estimated Cost for Weekday EMT Coverage</b>				
Shift Coverage	Hours Per EMT/Shift	Total Hours Covered Per Weekday	Total Hours Over 52 Week Period	Cost at \$13.790 Hourly Rate
4 a.m. - 12 p.m.	8	16	4,160	\$45,926
12 p.m. - 6 p.m.	6	12	3,120	\$34,445
8 a.m. - 4 p.m.	8	16	4,160	\$45,926
<b>Totals</b>	<b>22</b>	<b>44</b>	<b>11,440</b>	<b>\$126,298</b>

Including the estimated collections (between \$304,415 and \$405,886) and estimated membership revenue (\$131,500), it appears the ambulance association may have collected between \$309,607 and \$411,088 above the cost of the contract. Again, because of the team's efforts to keep estimates conservative, the revenues retained by the association are probably higher than calculated.

While it is apparent there is a dedicated group of association volunteers committed to delivery of the emergency medical services, there are numerous public issues, which are considerable and should be addressed immediately.

Managing Fire Services, Second Edition, published for the International City Management Association (ICMA) Training Institute, notes that it has become a common practice for fire, rescue and emergency medical services to be provided by a coordinated agency. Further, the congress recently amended the Fair Labor Standards Act (F.L.S.A.) to clarify the overtime exemption for employees engaged in fire protection activities. It defines an employee in the fire protection service to be firefighter, paramedic, emergency medical technician, rescue worker, ambulance personnel, or hazardous materials worker.

According to the fire district chief, there are 67 certified Emergency Medical Technicians (EMTs) in the ranks of the district, including seven of the full-time staff. There are an additional 25 certified first responders. Seven of the full-time staff are EMTs. In addition, the fire district has the facility and staff to maintain the EMS equipment and adequate facilities to house ambulance units throughout the township. An additional strong argument for the district officially performing the EMS function is that the district has to obtain voter approval each year for its budget and is audited annually. The budgets and audits are public documents and are subject to scrutiny from the New Jersey Department of Community Affairs (DCA). Also, for further dissemination of information, the district could include information regarding the EMS service in its annual report.

### **Recommendation:**

**The team supports the use of volunteers and commends residents who provide these essential emergency services. With the growth in the community and a decline in the number of volunteers, the township should investigate alternatives to providing this vital service. The governing body should appoint a committee comprised of representatives of the community and municipal and county organizations involved in providing emergency services to evaluate the needs of the community and to recommend the most efficient system for providing these services.**

### **Membership Program**

The team was provided with an association membership solicitation brochure that was distributed to township homeowners. The general information paragraph states “This subscription entitles members to medically necessary ‘EMERGENCY’ service, treatment and transport to the nearest appropriate medical facility...” The brochure also gives subscription costs, ranging from \$20 to \$40, depending on the size of the household and requires the subscriber indicate the coverage needed. There is a membership card included to be completed and retained by the subscriber. It is the team’s observation that this gives the impression that emergency medical services will not be provided to households that do not purchase a membership.

When questioned, the captain indicated that the “membership” fund is used to offset the costs of services for residents who are not adequately covered by insurance and to pay the difference between the amount paid by the insurance carrier and the amount billed.

**Recommendation:**

**The information contained in the brochure is misleading. The team recommends that any additional solicitation be clearly written, as not to suggest that lack of participation will effect the delivery of emergency medical services. Further, there are many legal issues to be considered in an ambulance membership program including licensing requirements and insurance coverage issues. The team recommends that the township or fire district solicitor review the program to ensure that all legal and liability issues are adequately defined and addressed.**

**OFFICE OF TAX ASSESSOR**

**Assessments**

The township has enjoyed a considerable growth in total assessments (ratables) for the last few decades with \$377 million added ratables in just the last 10 years. The following table shows the growth between 1991 and 2000:

	<b>Tax Line Items</b>	<b>Total Assessed Value</b>
1991	14,762	\$1,828,294,000
1992	14,910	\$1,882,091,300
1993	15,023	\$1,899,273,600
1994	15,127	\$1,939,015,440
1995	15,253	\$1,971,299,580
1996	15,473	\$2,009,880,720
1997	15,548	\$2,041,427,203
1998	15,752	\$2,076,676,100
1999	16,050	\$2,129,782,500
2000	16,465	\$2,204,860,300
<b>10 year growth</b>	<b>1,703</b>	<b>\$376,566,300</b>

The total assessed property in Washington going into calendar year 2000 is \$2,204,860,300 for 16,465 line items. Almost 88% of the tax base is residential, 4% is commercial/industrial/apartment, 6% is vacant land and slightly less than 1% is farm. The current equalized ratio is 96.74%. The assessor credits the high ratio to several factors, but most notable is that he reassesses an entire development if there is an appeal, which results in a change in assessment.

The following table compares the 2000 breakdown of real property classification to 1996:

<b>Classification</b>	<b>1996</b>	<b>2000</b>	<b>Growth #</b>	<b>Growth %</b>
Vacant Land	855	1,055	+200	+ 23%
Residential	13,802	14,567	+765	+ 5%
Farm	186	154	- 32	- 17%
Commercial	612	670	+ 58	+ 9%
Industrial	12	12	0	0
Apartment	6	7	+ 1	+ 17%
<b>Total Line Items</b>	<b>15,473</b>	<b>16,465</b>	<b>+992</b>	<b>+ 6.4%</b>

### **Staffing/Organization**

In the beginning of 1997, there were four full-time positions in the tax assessor's office. Those positions were assessor, deputy assessor, clerk II, and a senior clerk. There was a turnover of staff during 1999 that resulted in a loss of the deputy assessor position and a downgrade of the senior clerk position to clerk II. The net result is a full-time staff of three; the assessor and two clerical support personnel. The office staff work 32-hour weeks.

One of the clerks also serves as the zoning board secretary. She is paid an additional stipend of \$2,500 for those responsibilities. While she does the maintenance of the minutes and preparation of the agenda during off-hours, she does answer telephones and assist customers with zoning questions during normal office hours. The result is that she is at times, being paid for two jobs simultaneously. However, the team believes that the consolidation of the planning, zoning and inspection functions under one community development department with a customer desk will eliminate the need for the clerk to answer zoning questions during regular business hours.

There are approximately 16,465 tax line items in the township beginning the year 2000. The International Assessment Officers Association (IAOA) establishes minimum staffing and cost benchmarks for tax assessors' offices. According to the association, a municipality can expect to spend between \$11 to \$12 per line item and there should be approximately 3,400 to 3,600 lines per staff person. Utilizing that benchmark, it would appear that the township would need approximately 4.5 FTE staffing the office.

**The staff of the assessor's office is commended for operating with roughly 1.5 FTE less than the usual benchmark identified by LGBR.**

Because of the turnover in staff during 1999, the team was not able to compare the \$11 - \$12 standard to actual 1999 cost to arrive at a useful comparison. However, the team did run a simulation of the potential staff costs using position values for two clerk II positions in the tax collector's office and the actual position value for the tax assessor. That resulted in an approximate position value for the three positions of \$144,663. In addition, the 1999 budget shows an other expense allocation of \$30,670 making the anticipated 2000 office cost about \$175,333. Utilizing that number, it appears the approximate cost per line item is \$10.92, without including ancillary costs such as the vehicle assigned the office, office space, utilities, etc.

The team discussed the staffing level with the assessor. According to the assessor, because of constraints on his time and the loss of the deputy position leaving him the only staff person who

performs assessment fieldwork, he suspects that there are many property improvements being performed that are not recorded in the tax records, therefore not generating increased tax revenue. He has to dedicate most of his time to fieldwork relating to new construction and appeals which leaves him behind on inspections relating to existing property. For instance, he is now trying to complete inspections relating to UCC permits issued in 1998.

The assessor estimated that a reasonable base salary for a deputy would be about \$35,000. The team utilized that salary to calculate a position value of \$47,187. Adding that cost to the \$175,333 discussed above, would equate to \$222,520, or \$13.50 per line item, which is slightly above the LGBR cost benchmark. However, the township could contract with a licensed assessor to provide assistance to the office, to work approximately 16 hours (half time) per week, to assist the assessor. The hourly salary, if a full-time deputy would be paid \$35,000 and work 32 hours per week, is \$21 per hour. Even if the township paid the assessor \$20 per hour, the cost for the office would be within the \$11 - \$12 standard (\$11.66).

### **Recommendation:**

**The team recommends the township contract for services of an assessor to assist with the necessary inspections. The estimated cost of the contract is \$16,640.**

**Value Added Expense: \$16,640**

### **Exempt/Abated Property**

The following table shows the detail of exempt and abated properties as reflected on the 2000 Table of Aggregates:

<b>Total Value, Land &amp; Improvement – 2000</b>	<b>\$2,213,323,100</b>
Exempt Property	
Public Schools	\$48,349,300
Other Schools	\$2,266,600
Public Property	\$53,386,400
Church & Charitable	\$47,146,500
Cemetery & Graveyards	\$1,181,900
Other Exemptions	\$20,593,900
<b>Total Exemptions</b>	<b>\$172,924,600</b>
<b>Total Abatements</b>	<b>\$8,462,800</b>

Exempt property constitutes approximately 8% of the assessed value within the township. As discussed under the parks and recreation portion of this report, the township owns approximately 8% of the total acreage within the township although, clearly, the properties are not cumulatively valued at 8% of the total assessments.



**Recommendation:**

**As discussed under the parks and recreation portion of this report, it is recommended the township consider the impact on the tax rate prior to purchasing any additional property for recreational and park purposes.**

## **PUBLIC LIBRARY**

**Organization/Staffing**

The Margaret E. Heggan Free Public Library serves the residents of Washington Township. In practice, the library, under the direction of the library board of trustees, operates as a semi-autonomous entity from the municipal government, performs its own purchasing, contracting, banking, investing and budget functions. Payroll functions are performed centrally by township staff.

In 1988, the voters of Washington Township passed a resolution which approved pulling out of the county library system, choosing instead to pay the third of a mill for their own municipal library operation. Prior to the 1988, the library was an association library and both the county and association libraries provided service for the township residents.

The library had a staff of approximately 30 in 1999, consisting of the library director, who has been with the library since 1973, eight additional full-time staff members and 21 part-time employees. The services provided by paid staff were augmented by an active Friends of the Library group who actively recruit and supervise volunteers to assist in the library functions.

**Circulation/Services**

The team compared key data provided in the 1998 Analysis of New Jersey Public Library Statistics. The report is a compilation of data that is published annually by the New Jersey State Library based on information provided by the local libraries. Particularly pertinent comparisons were for libraries serving similar populations, libraries with similar expenditures and the county library system.

The library was open seven days a week for a total of 64 hours per week. The library had a total circulation of 250,454, which is slightly higher than similar population and expenditure groups. Circulation per FTE (full-time equivalent of staff positions) is also slightly higher than similar population and expenditure groups. However, the township's library circulation per FTE is 30% greater than that of the county library. Similarly, the township's circulation per hours open exceeds the county's by 113%.

It appears, based on the circulation data, that the library is providing the type of services desired by township residents.

## **Financial**

According to data provided by the director, the library had a total of \$1,164,272 in revenues in 1999. Of that amount, there was \$350,576 in carry-forward, \$719,247 in municipal allocation, \$5,050 other municipal support, \$60,044 in state aid, and \$29,355 in other income. Total operating expenditures were \$809,069, resulting in an anticipated balance of approximately \$355,203.

The library reimburses the township \$85,000 per year for use of the building. According to the library director, that amount was set to coincide with the payment of the mortgage for the building. Also, the library, as proposed in a memorandum dated June 1, 1999 from the township business administrator to the library director, reimburses the township an additional \$2,375 per month to cover the staff cost of township employees involved in administration and payroll processing for the library.

**The team commends the library and the township for agreeing to a reasonable reimbursement of costs.**

As mentioned throughout this report, the township has enjoyed a tremendous growth in total tax assessments over the last several years. As the total assessments in the township increases, so does the required allocation to the library. Based on the carry-forward of \$355,203, (which equates to 1½ cents on the municipal purposes tax rate) the allocation appears to be greater than what is required to efficiently offer the library services.

The team was able to identify some costs for which the township is not reimbursed. Township public works staff provided “in-kind” services for the library including such things as snow plowing, assembling cabinets, replacing emergency lights, and installing electric lines. The library estimated the “in-kind” cost to be approximately \$5,050. The township also included the library building and contents in its property and casualty insurance coverage. The estimated cost for that coverage is \$3,640.

## **Recommendation:**

**The team recommends the township identify all costs incurred by the township associated with provision of library services. The additional amount should be deducted from the required 1/3 of a mil allocation or be reimbursed by the library as are the other costs already identified. Based on just the two items identified by the team, the township contributed at least \$8,690 in excess of the 1/3 of a mil.**

**Cost Savings: \$8,690**

## **MUNICIPAL COURT**

While the team recognizes the separate authority and responsibility of the judicial branch of government, the following discussion is presented to provide encouragement and recognition for

the enhancements currently being implemented within the court operation. The discussion is provided with the knowledge that the enhancements require the review and approval of appropriate judicial personnel.

At the time of the review, the municipal court operation was going through significant staffing changes. For at least three consecutive years, there had been advisories from the vicinage noting that the court was seriously understaffed and that the result had been substantial backlog in case processing. The understaffing appeared to be attributed to several factors, including an increase in volume resulting from increases in population and the number of police. Also, while there had been five staff positions in the court office as recently as 1992, the number had been decreased to three full-time staff members. By comparison, by the end of 1999, the township had increased its police force by sixteen staff.

The staffing issues continued through 1999, and resulted in interaction by vicinage management to address the concerns. There were several pieces of correspondence between the vicinage and township during 1999 and a subsequent meeting between staff of both entities to discuss the problems and identify solutions.

Understanding the issues involved and that the township is working toward resolving the issues, the team is not addressing collection rates and trends from 1999 because many of the processes have been changed or are being enhanced. The team encourages the township to continue working with the vicinage and New Jersey Administrative Office of the Courts (AOC) to address the problems and to provide appropriate services to the township. Also, by reducing and/or eliminating the backlog, the township would generate increased revenues as fines and costs are collected.

### **Recommendation:**

**The team encourages township staff to continue to work with the vicinage and AOC to identify and resolve the issues.**

The team observed a number of court sessions, toured the facilities and interviewed the new court administrator. The judge was clearly in control of the sessions and the sessions moved along expeditiously. Court staff performed entries directly into a terminal on the bench and one staff member assisted the judge. Simultaneously, staff worked the payment window, which seemed to also move along without significant wait.

The administrator noted several enhancements that were in the process of being implemented just prior to or during the review period, which included having hired a part-time employee to do system entry at night when there would not be disruptions. He also noted some factors that he thinks would be useful in enhancing the operation, particularly, a new telephone system, as the current system generally has only one line available to the court office, for incoming and outgoing calls.

## **WASHINGTON TOWNSHIP FIRE DISTRICT**

### **Overview**

The Washington Township Fire District and Board of Fire Commissions were created by voter referendum and municipal ordinance in 1972. In general, the board, as a public body, is responsible for overseeing all matters relating to fire and rescue services. The district is the administrative and operational agency of the board and has taxing power.

The township, district, volunteer fire companies and township governing body are to be commended for creation of one umbrella organization with independent taxing power to oversee and coordinate the delivery of fire services. The team found that the township's fire service structure avoided common situations where companies are competing for scarce tax dollars and donations, duplicating equipment and apparatus purchases that can exceed \$500,000 for one ladder or rescue truck, and a lack of a coordinated delivery system. Because of having one district, all Washington Township property owners are paying the same district tax rate and receiving the same level of service.

**The township, district and volunteer fire companies are commended for the successful implementation of one umbrella fire service organization.**

The district operates independently from the township on most matters, with the exception of participating in health insurance policies, fuel purchase and several cooperative efforts between staff in the provision of specific services. The district has its own management staff, performs its own purchasing, cash management, fleet maintenance, adopts its own policies and procedures and hires personnel. Appendix J is the 1999 organizational structure of the district.

Because the district operates independently from the municipality, as is permitted by statute, the team had to perform the administrative and financial review components separately from the township review. For that reason, the results of the district review are discussed in this section but, for further information relating to the process utilized, refer to the corresponding sections in this report.

### **BOARD OF FIRE COMMISSIONERS**

The board is comprised of five members. Each member oversees an administrative aspect of the district, including fleet maintenance, technology, insurance, personnel, and general administration. It was apparent to the team that the board is very proactive in the administration of the district. Each of the board members was well aware of the district's operations and exhibited a "hands-on" approach to overseeing the operations of the district.

The board meets twice monthly, once as a work session and once to conduct formal business. The team attended the annual organization meeting and noted that there were many volunteers in attendance although there was no one present from the general public. The meeting was professionally run and the floor was opened for input from those in attendance. The agenda utilized by the board is discussed under the Best Practices section of this report.

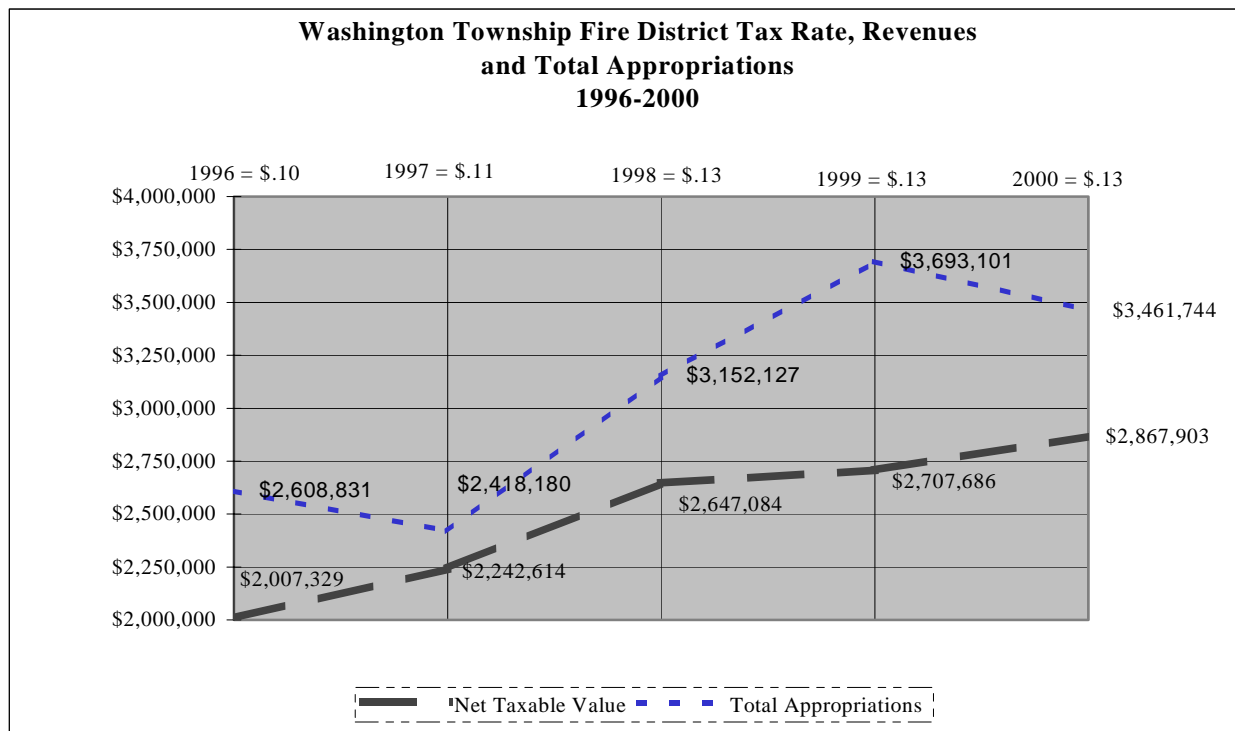
The district, under the direction of the board, issues an annual report. The report is comprehensive and provides factual key details of revenues and expenditures, plans for the future, accomplishments of the year, and reports from the district staff. The team found it to be a valuable tool in reviewing the operation.

**The commissioners are to be commended for the proactive, informative, hands-on approach.**

### Finance

The fire district has taxing power. Each year, the board must adopt a budget that is put to the township voters at the annual fire district election in February. The amount to be raised by taxation, as specified in the budget and authorizing resolution, is converted into a tax rate based on the actual assessed valuation of taxable property in the district (township) going into the budget year. The fire district election is discussed in more detail in the Statutory and Regulatory Reform section of this report.

The district, as the township, has enjoyed a growing stream of tax revenues resulting from the increase in assessed valuation. Using the budget documents provided by district staff, the team prepared the following chart to compare the net amount raised by taxation to support the district operations and total appropriations for each of the last five years. Revenues used for appropriations that were not generated from property taxes included fund balances, interest on investments, sale of assets, Supplemental Fire Services Act, and uniform fire safety act revenues.



While the tax rate has stayed stable at \$0.13 for 1998, 1999 and 2000, the amount raised by taxation (net taxable value) has increased by \$220,819 between 1998 and 2000. That increase represents approximately one cent on the tax rate and 8% of the total amount to be raised by district taxes in 2000. The amount to be raised by taxation has increased \$860,574 or 43% in the last five years, while the district tax rate had only increased by 30%. Total appropriations increased \$852,913, which is a 33% increase in appropriations over the five-year period.

Generally, the leveling of the tax base is of concern regarding the provision of services. However, it appeared to the team, based on interviews and observations, that the district has been planning in anticipation of the township being fully “built-out” and the tax base stabilizing. Over the last seven years, the district has replaced two of the main fire stations that were outdated and inadequate for housing the equipment considered necessary to provide fire services to the community, and is in the process of constructing a substation in an area undergoing significant growth. However, while it appears the district has been planning for and addressing future needs, there is no written plan that details and projects capital needs, including facilities and apparatus/equipment replacement.

#### **Recommendation:**

**The team recommends the district prepare a written needs assessment, amortization and replacement schedule for their major equipment and facilities which takes into account projected community growth, taxbase stabilization, service life, obsolescence, maintenance costs, etc. The board should formally adopt that schedule which can then become the working capital plan. The plan should be reviewed and adopted annually.**

In 1999, the district and the Washington Township Municipal Utilities Authority (MUA) struck an agreement whereby the district’s annual fire hydrant rental would be reduced from \$125,000 to \$55,000 for 1999 and 2000 and there would be no cost to the district in 2001 and 2002. The agreement for 1999 and 2000 was reduced to writing but the subsequent years were not.

#### **Recommendation:**

**The MUA and the district are commended for reducing expenses to the taxpayers. The MUA is encouraged to enter into a written agreement with the district allowing that there be no rental charges for fire hydrants in 2001 and 2002, as previously agreed. The MUA is further encouraged to assess on a biannual basis the reasonableness and necessity of assessing fire hydrant rental fees.**

#### **PROFESSIONAL CONSULTANTS**

The following chart delineates district expenditures on professional services for 1999:

<b>1999 Professional Services Expenses</b>		
	<b>Amount Paid</b>	<b>Authorized by Resolution</b>
Legal Services	\$25,956	Yes
Auditing Services	\$11,530	Yes
Physician Services	\$8,481	Yes
Computer Consultant	\$2,063	No
Engineering/Architect	\$39,446	Yes
<b>Grand Total</b>	<b>\$87,476</b>	

The team found no evidence of solicitation of proposals for these professional services.

**Recommendation:**

**The district should create an appropriate scope-of-work outline for each professional service and solicit proposals and fee schedules from firms with the desired skill and experience. The team anticipates that injecting an element of competition could result in an overall reduction in professional service expenditures by at least 5% of the 1999 cost.**

**Cost Savings: \$4,374**

It is also noteworthy that \$2,062 in professional services (Computer Consultant) was spent without the appropriate authorizing resolution as required by N.J.S.A. 40A:11-5. No professional service agreements should be entered into, bills paid or services rendered unless the Board of Fire Commissioners authorizes such action.

**Recommendation:**

**The commissioners should implement and circulate a policy reminding the administrative staff of the requirements of the Local Public Contracts Law and to reaffirm that no professional services are to be awarded unless authorized by a Board of Fire Commissioners' resolution. The policy should further note that no employee or agent may incur any liability on behalf of the district unless a duly authorized resolution is in place.**

**Solicitor**

Resolution R-9-99 appointed a solicitor for the district "to receive such compensation as may be reasonable for such services" without referencing a retainer. A review of payment records indicated the method of payment to the solicitor was a flat \$24,000 per year, plus costs, to be paid in two installments. The district paid \$25,956 for solicitor services in 1999.

The solicitor's bill was a two sentence letter stating "*Enclosed please find my bill for one-half of my 1999 retainer, plus costs. Kindly process same for payment.*" There is no breakdown of services rendered or an accounting of time spent on functions relating to the district. Therefore, it was not possible to determine if the \$24,000 plus costs is reasonable for services rendered. The commissioners have no way of verifying whether they are paying \$100 or \$500 per hour for

legal services. Given the contracted amount of \$24,000 and assuming a reasonable hourly rate of \$125, the district paid for approximately 16 hours of legal service per month but has no way of knowing if it received 16 hours of legal service. The team further notes that N.J.S.A. 40A:5-16 requires that the solicitor for the fire district submit monthly bills in order to obtain payments.

#### **Recommendation:**

**The district should obtain a clear understanding of the services that are provided by the solicitor. The first step in that process would require that the solicitor submit monthly bills that detail each activity performed, keeping within the \$24,000 limit as required by statute. This method would place far greater controls on the accountability of the solicitor and would provide the district with the necessary information to determine if the cost and level of service is appropriate. The billing for other professional services should contain similar details.**

#### **DISTRICT FIRE CHIEF**

A full-time district chief was hired in 1998 to coordinate daily operations of the fire district and implement policy decisions of the board. The chief's job description encompasses some 30 areas of responsibility, but generally, he is responsible for overseeing fire suppression activities, fire district equipment and facilities, work duties of career personnel, training, implementation of applicable standards, laws and regulations, and discretionary expenditures.

The team reviewed the table of organization that was in affect for 1999. Appropriately, there were three department heads and one full-time secretary reporting directly to the chief. Also, the 10 full-time firefighters reported directly to the chief for fire and rescue operations making a total of fourteen direct reports.

During the review, the board approved creation of two district captain positions to provide direct, daily supervision of the full-time firefighters. There will be two shifts, each headed by a captain, with four full-time staff assigned to each captain. Creation of the captain positions will reduce the need for the chief to directly supervise the full-time firefighters and make one clear line of reporting authority. Appendix K shows the resulting table of organization.

#### **Recommendation:**

**The team believes that several factors will provide for further transitioning of the chief into more of an administrative/management role than was observed. Several recommendations in this report, including the district assuming responsibility for emergency medical services and emergency management and elimination of the business administrator position will necessitate the chief performing as the primary administrator/manager if implemented. To facilitate this, the chief may want to consider, as a matter of routine, responding to calls that involve working fires (defined as when more than the 1<sup>st</sup> due and 2<sup>nd</sup> due companies are utilized), serious injuries, large financial loss fires or when there are less than three firefighters on apparatus.**



## **MAINTENANCE DIVISION**

The fire district operates its own garage facility, which is responsible for repair, testing, and preventative maintenance on all district vehicles, apparatus and equipment. The team found the district's fleet maintenance operation to be exceptional.

**The team commends the district for operating a clean and efficient maintenance operation.**

### **Mission Statement/Policies and Procedures**

The district does not have a formal policy and procedure manual or mission statement specific to the fleet maintenance function. While inefficient work practices are not the case, developing these documents would be beneficial.

### **Recommendation:**

**The district should consider developing a formal mission statement and a policy and procedures manual.**

### **Vehicle Equivalents (VE)**

In performing the VE ratio for the district, the team had to adjust the available work hours to reflect that the two firefighter/mechanics dedicate approximately 60% of their time performing repairs. For discussion purposes, the team is estimating that a 40-hour employee has approximately 1,750 hours available annually. The analysis indicated that each firefighter/mechanic has approximately 1,050 hours dedicated to the fleet maintenance function for a total of 2,100 hours for the two.

Based on the makeup of the district's fleet, which consists of 25 pieces of fire and rescue apparatus and vehicles and associated pieces of equipment, the team calculated the district has a VE of 128 or 2,240 maintenance hours yearly. Therefore, it appears that the district's current staffing level is appropriate.

### **Cost of Operations**

Based on the costs provided by the district, a labor rate for the garage was calculated to be \$33.81 per hour. It appears, therefore, that the district's fleet maintenance function is being performed in a cost-effective manner.

### **Preventive Maintenance (PM) Program**

The district maintains a comprehensive PM program. Inspections are done weekly using an apparatus checklist and the district maintains comprehensive manual records of maintenance and repairs. A computerized maintenance system is expected to be operational in the near future.

### **Facility**

The district maintains an exceptional repair facility. It is by far the finest repair facility the team has inspected so far. In addition, a clean shop usually reflects the pride and quality of the work produced within and this facility was spotless.

## **Vehicle Repairs**

It came to the team's attention that district personnel are permitted to work on their personal vehicles in the garage facility during "off-duty" hours.

In general, whenever municipal, or in this case district, property is utilized for personal purposes there are several issues which arise. First, the shop equipment and tools are purchased in large part from tax revenues. Each time equipment is utilized it shortens the life expectancy and, therefore, accelerates replacement costs. Second, the issue of liability is of considerable concern. The cost to the district could be considerable should a lawsuit be filed resulting from work performed in the garage. A third issue is that of perception. The public would not necessarily know that the work is being done during off-duty hours or that the owner has purchased the parts and supplies.

The team further noted that the district's Standard Operating Procedures (SOP) similarly permit company members to use the truck bays to perform maintenance on personal vehicles. The same types of concerns outlined above apply for work on personal vehicles in the firehouse bays.

## **Recommendation:**

**The district should adopt a policy prohibiting work on personal vehicles in the garage or in the firehouses.**

## **BUREAU OF FIRE PREVENTION**

The bureau is responsible for fire prevention education, fire investigation and code enforcement.

During 1999, a full-time fire official, full-time inspector, part-time inspector, full-time secretary/receptionist and two full-time firefighter/inspectors performed functions associated with the bureau. With the exception of the firefighter/inspectors who spent an estimated 70% of their time on inspection and investigation duties and the secretary/receptionist about 75% on bureau functions, staff were 100% dedicated to the functions of the bureau. There were also three full-time firefighters who performed a limited number of inspections.

All full-time staff work 40 hours per week. In keeping with the discussion on fleet maintenance, the team calculated that a 40-hour employee has approximately 1,750 hours available annually to perform functions relating to the position.

## **Code Enforcement**

The component of the bureau that requires the largest allocation of staff resources is code enforcement. In addition to fire safety plan reviews, which are done by the fire official, the bureau is responsible for state, local and complaint inspections.

According to the bureau's Activity Report for 1999, there were 1,514 inspections, 1,687 re-inspections, and 127 inspections related to complaints for a total of 3,328 inspections performed. By comparison, the 1998 report indicated that staff performed a total of 3,257 inspections.

Based on information provided by district staff, the team conservatively estimated that each of the two firefighter/inspectors dedicated 60% of their time to inspections (1.20 FTE), the fire official .15 FTE, fire inspector .75 FTE, and the part-time inspector .20 FTE. The 1999 data also indicates that three full-time firefighters performed a limited number of inspections. Therefore, the team will consider the culmination of the three as .30 FTE. It appears then, that the district had 2.6 FTE performing inspections during 1999, or the equivalent of 4,550 staff hours, using 1,750 as the number of available hours per year, per FTE.

Using the same distribution of FTE, the position value cost to the district for the inspection function was \$113,984. The secretary/receptionist estimated 75% FTE is an additional position value of approximately \$27,809, making the total approximate position value for inspections \$141,793. In addition, the district had other expenses relating to the function including three vehicles, administrative overhead, technology acquisition, and training. During 1999, the district received \$57,077 for Local Enforcement Agency (LEA) rebates, \$41,265 for local registrations, \$10,038 for penalties, and \$3,388 for permits for a total of \$111,768 in general offsetting revenue.

The fire official indicated that a reasonable calculation of time per inspection is one hour, which includes inspection, report/correspondence and travel. That factors in the longer time needed to perform the more complicated inspections, such as the hospital, as well as the simpler inspections, such as an office condominium. Utilizing the one-hour average and the number of inspections for 1999 (3,328), there was approximately 3,328 hours needed to complete all inspections. The conservative estimate of FTE dedicated to inspections discussed above would indicate that 4,550 hours were spent performing inspections, making a net of 1,222 hours more than necessary.

According to the district chief, all six full-time firefighters are licensed to perform inspections and will, therefore, become more involved in the inspection process. If all six of those firefighters spent just 10% of their time performing inspections, all inspections could be performed without having dedicated inspection staff (one part-time, one full-time), as follows:

<b>Position</b>	<b>Current FTE Equivalent</b>	<b>Hours On Task</b>	<b>Proposed FTE Equivalent</b>	<b>Hours On Task</b>
Firefighter/Inspector	1.20	2,100	1.20	2,100
Fire Official	0.15	263	0.15	263
Fire Inspector (FT)	0.75	1,313	-	-
Fire Inspector (PT)	0.20	350	-	-
Firefighters (FT)	0.30	525	0.60	1,050
<b>Total</b>	<b>2.60</b>	<b>4,550</b>	<b>1.95</b>	<b>3,413</b>
Required Hours		3,328		3,328
<b>Excess over Required Hours</b>		<b>1,222</b>		<b>85</b>

**Recommendation:**

The team recommends the full-time fire inspector position be eliminated and the district keep with its plan to not replace the part-time inspector when the position is vacated. Currently, 75% of the full-time position is dedicated to inspections. The estimated 25% of that position utilized toward community outreach and training is discussed later in this section. The 1999 position value for the full-time inspector was \$41,842 and the part-time position was \$8,895. It is anticipated elimination of the positions will not have a negative effect on revenues. The vehicle currently assigned to the inspector could be utilized for the fire lane enforcement, as discussed later.

**Cost Savings: \$50,827**

The team accompanied one of the inspector/firefighters on some routine inspections. It was apparent that the inspector was thorough, courteous and explained violations to the owner in a clear manner. It also became apparent, however, through discussions with district staff and staff of the township's department of licensing and inspections, that communication between the district and township staff could be improved. While the team realizes that the construction code staff are not required to work with fire safety inspectors, the goal of both entities is to enforce their respective codes in such a way as to assist taxpayers while ensuring safety.

**Recommendation:**

Staff of the district and the township is encouraged to continue to strive toward a cooperative relationship that involves periodic oral communications to identify and resolve pending problems, and to discuss the status of significant projects. The goal is to assist taxpayers, and avoid duplication, unnecessary delays and expense.

The team also noted the firefighter/inspectors generally waited until 10:30 a.m. to begin inspections to accommodate the schedules of the business owners. This practice could lead to lack of productivity. The district may want to consider staggering the firefighter/inspectors work schedules. If one of the firefighter/inspector's schedules was changed to 9:00 a.m. to 5:00 p.m., the team estimates that there could be a productivity enhancement of at least \$3,648 (\$16.58 hourly rate, 220 workdays).

**Recommendation:**

The team recommends that the district consider adjusting at least one of the firefighter/inspector's work schedule in order to maximize productivity. Prior to changing the schedule, however, the district should consider potential impacts on fire and rescue operations to ensure there is adequate coverage between the hours of 6:00 a.m. and 4:00 p.m.

**Productivity Enhancement: \$3,648**

### **Fire Investigation**

The district has a progressive fire investigation program. The district has created a fire investigation team, which consists of two commissioners, the two firefighter/inspectors and a police detective. The fire official is also an active participant of the team.

In 1999, the district paid a stipend of \$1,500 to the district members of the team, except for the fire official, to compensate them for having to investigate evening fires. The cost to the district, not including the cost of acquiring the investigation van and equipment or training, was \$6,000. There were 54 investigations conducted.

**The district is commended for the progressive, cost effective method utilized for fire investigation.**

### **Community Outreach and Awareness Training**

The bureau also has a progressive, proactive community outreach program. Among its programs are firefighters performing outreach training in schools, tours of the firehouses and the Hurffville museum, training on the use of fire extinguishers, and general fire safety training. There is no report prepared on the training activities so the team was unable to review any data regarding number of programs, participants and level of participation of staff or volunteers. It was reported to the team, however, that the volunteers and firefighters take a key role in training delivery along with the fire inspector.

District staff was proud of the outreach efforts and noted that they are continuously striving to enhance their programs. To that end, the district is currently awaiting delivery of a fire safety trailer and is in the process of purchasing a fire extinguisher training simulator.

In practice, the full-time fire inspector serves as the coordinator for the outreach and awareness training. He estimated that the training activities consume about 25% of his time. Responsibility for community outreach is generally that of the fire official.

### **Recommendation:**

**The team recommends the fire official be the primary staff member responsible for identifying training opportunities, scheduling and delivery of community outreach programs. The district is encouraged to utilize volunteers in the coordinating function of the outreach efforts, as well as, the training components. The cost savings for this recommendation are included under the code enforcement section of this discussion.**

### **Fire Lane Violations**

Staff of the bureau routinely issues citations to vehicles in violation of the fire lane code in accordance with N.J.A.C. 5:70-3.2(a)3,F-311.0. It is clear that there are significant public safety issues involved when fire lanes are blocked and emergency equipment must navigate around parked vehicles during a response situation.

The fines imposed by the district are \$25 for the first offense, \$50 for the second offense and continue to go up based on the number of citations issued to the vehicle. During 1999, the district collected \$4,613 in fines and cited 430 violations.

Currently, not all violators are issued citations. The inspectors issue warnings when the vehicle involved is a first time offender. This policy has resulted in a significant number of warnings. According to district staff, there of 430 violations issued during 1999, 170 of which were either warnings or voided (40% of total violations).

**Recommendation:**

**The team recommends the district cease issuing warnings and issue only violations with fines attached. The fire lanes are clearly marked so those parking in those lanes probably realize they are parked illegally. Assuming a 90% collection rate, as discussed below, 170 additional tickets are issued and that all fines are \$25, the district could expect to collect an additional \$3,825 by strictly enforcing the fire lane code.**

**Revenue Enhancement: \$3,825**

There were several issues that arose regarding issuing fines rather than warnings, including pressure from property owners and residents. Again, the team believes this issue should not be a factor in issuing fines to violators because of the potential public safety issues involved. An issue of legitimate concern is the perception that the district is targeting a specific set of residents by only enforcing the fire lane code during normal work hours. It was reported to the team that most violations occur in the late afternoon, evening and weekends and, therefore, the bulk of the violators were “getting away” with it.

**Recommendation:**

**The team concurs with the concern regarding unequal enforcement and recommends that the district engage part-time workers to perform fire lane enforcement functions during other than weekday hours. A reasonable hourly rate would be \$7.50 per hour. Assuming two part-time employees work four hours two evenings per week, and four hours each during the weekend, it would cost the district approximately \$10,076 (\$9,360 hourly, \$716 social security and Medicare) in wages. For discussion purposes, the team is also including \$2,000 for administrative overhead (additional ticket books, uniforms, fuel, etc.) To ensure even coverage, the district should consider rotating evenings, Saturdays and Sundays so there is no steady, predictable schedule.**

**Increased enforcement would result in increased revenues to offset the enforcement cost. Assuming the evening/weekend staff issue 1,300 violations per year (which equates to about one per hour worked), the practice of issuing warnings is ceased, the collection rate is increased to 90% and all fines are only \$25, the district could expect to generate at least an**

**additional \$29,250 to offset the cost of enforcement. The team anticipates the \$29,250 revenue enhancement is artificially low, however, because it assumes only one ticket being issued an hour and does not take into account that the fines increase with the number of violations issued per vehicle.**

**Value Added Expense: \$12,076  
Revenue Enhancement: \$29,250**

Bureau staff estimates that approximately 30% of the tickets issued each year are not collectable because of failure to pay by the violator and the inability of the district to identify the owner of the vehicle cited. In the past, the police department would run a DMV check on the license plate and provide the district with the owner's name and address. However, with the recent rulings that fire code violations do not meet the requirements for gaining access to confidential DMV records as defined by state law, the district has not been able to get the necessary information on vehicle ownership to pursue the violators.

LGBR staff has contacted Motor Vehicle Services (MVS) to determine if there were options available for the fire district. According to a MVS attorney, a fire district may obtain owner information for vehicles cited for fire lane violations at no charge. The process involves writing directly to MVS, on district letterhead, and providing the list of license plate numbers and vehicle descriptions for delinquent violations. Once the information is received from MVS, the district can write to the violator directly informing them of the penalties due and advising them that failure to pay may result in civil penalties. That letter would also have to notify the recipient of their right to appeal.

The team spoke with district staff about this recent information from MVS. The district chief indicated that staff would act quickly to forward the list to MVS and to establish a process for routinely forwarding the information.

#### **Recommendation:**

**The team encourages the district to forward a letter and list of delinquent citations to MVS to obtain the information necessary to collect outstanding fire lane violations. It is estimated the district could increase their collection rate to 90%. Conservatively assuming each of the 260 violations issued in 1999 were assessed at \$25 fines, a 100% collection rate would have been \$6,500 and 90% would have been \$5,850. The district collected \$4,613, making the net difference between collections and a 90% collection rate \$1,237.**

**The district is encouraged to consider attaching an administrative fee for processing of delinquent violations. It is further recommended that the district consult with the solicitor regarding the wording of the letter to the violator to ensure that it is in compliance with the Civil Penalties Act.**

**Revenue Enhancement: \$1,237**

There are other options available to assist in the collection of fire lane violations. The fire district solicitor should work with the township solicitor to review the matter and recommend an

expedient manner to collect outstanding fire lane violations. Methods to be explored should include adoption of a municipal ordinance automatically transferring unpaid fire lane violations to the municipal court within 90 days of issuance. Another option would be to enforce the fine pursuant to N.J.S.A. 2A:58-1 which gives the authority to enforce collections for any penalty imposed by statute.

## **BUSINESS ADMINISTRATION**

There are two civilian staff assigned to the business administration function, one full-time business administrator (BA) and one part-time bookkeeper. The job description indicates that the BA is responsible for the management of the business affairs of the district along with personnel management.

It was reported to the team that the business administrator position existed prior to the creation of the fire district chief position and that, prior to the hiring of the chief, the administrator had responsibility for most of the day-to-day operations of the district.

Retaining the business administrator position has created a situation where the district is paying considerable salaries and benefits for what is in essence two chief operating officers. It appeared to the team, based on the job descriptions for both positions, observations and interviews, that there is duplication and overlap in the positions, particularly in regard to the areas of human resource management, building maintenance, purchasing, and liaison functions. Further, it appears the functions assigned to the BA are often clerical in nature, such as maintaining the filing system, and are currently being performed by lower titled staff.

The bookkeeper reports directly to the business administrator. The bookkeeper's responsibilities include many of the day-to-day fiscal functions of the district including bank deposits, processing purchase orders, maintaining accounts payable, running and maintaining payroll and accompanying responsibilities, maintaining the general ledger, reconciling bank statements, maintaining accounting files, preparing monthly treasurer's, insurance, and bill list reports for board meetings, and supply data for auditor as appropriate. It was the team's observation, which was confirmed in discussions with staff and board members, that the current responsibilities of the bookkeeper position were sufficient in scope to consider making the position full-time.

## **Recommendation:**

**It is the opinion of the review team that the employment of both a district chief and business administrator is both expensive and duplicative and could cause conflicts in the unity of command. The board is encouraged to review the business administrator's job description and determine which of the responsibilities are duplicative of the chief's functions and which can be performed by the bookkeeper with signatory responsibility being moved to the chief. Also, as discussed under the fire district purchasing section, the team is recommending the district utilize the services of the township's purchasing official, thereby eliminating that responsibility. The 1999 position value for the business administrator was \$55,748.**



**Elimination of the business administrator position will necessitate making the bookkeeper position full-time. The team believes that a reasonable compensation for that position would be the current hourly rate multiplied by the 2,080 hours in a 40-hour week. The 2000 hourly rate for the position is \$14.40 making an annual salary of \$29,952, plus direct benefits of \$4,990 for a total anticipated position value of \$34,942. The net difference is \$12,186.**

**Cost Savings: \$55,748  
Value Added Expense: \$12,186**

Appendix L shows the team's recommended table of organization.

### **Cash Management**

The district has a cash management plan. Typically, a cash management plan specifies the following: a) designated official depositories; b) scheduled deposit of funds; c) definition of allowable investment instruments; d) definition of acceptable collateral and protection of district assets; e) compensating balance agreements; f) reporting procedures; g) diversification requirements; h) maximum maturity policy; i) investment procedures; j) return on investment policy; k) internal controls; l) bonding coverage; and m) compliance issues. The district's cash management plan was lacking many of these details.

The team also noted the resolution designating depositories did not include all depositories used by the district in 1999 as was evidenced by a review of the monthly bank statements.

### **Recommendation:**

**The team recommends the district adopt a cash management plan that is in accordance with N.J.S.A. 40A:5-14, Adoption of Cash Management Plan. This statute specifically delineates what is required to be present in a cash management plan. It is further recommended the district only use those depositories that are specified on the official resolution or adopt a revised resolution.**

According to the business administrator and supporting documentation, the district maintains its primary banking relationship with a local branch of a regional bank. The district also maintains several savings accounts at other regional banks with a local branch. With the exception of a \$10,000 compensating balance maintained in an account at the primary bank, the district is not paying any fees for banking services.

It appears the district has an effective relationship with the primary bank. However, this relationship is not reduced to writing leaving services open to interpretation. The team also noted that RFP's for banking services have not been circulated either formally or informally for the past five years.

### **Recommendation:**

**The team recommends the district formalize its banking relationships in writing including a description of services, projected fees and level of compensating balance. The team also recommends the district solicit proposals from banks every two years to ensure the banking services provided are competitive with market conditions.**

The district has interest bearing checking and savings accounts. Interest is calculated monthly and rates range between 1.75% - 2.05%. Interest earned each month is credited to the appropriate account and becomes part of the following month's balance. Bank account balances are analyzed and excess funds are invested with the NJCMF. Interest earned each month is rolled into the base investment. Other excess cash balances are routinely invested in longer term (12-18 months) Certificates of Deposit (CDs). In all cases the primary bank issues these CDs and generally the CD was rolled over at the expiration date.

Although the district does perform an analysis of accounts in-house, it does not take advantage of a common banking service called an account analysis, which would show the various charges, compensating balances, and average daily balances. That information is an invaluable tool in determining if the current investment practices are providing maximum interest earnings for long term and short term investments as it identifies cash balances not needed immediately for operations. Coordinating this information with a defined investment program could allow the district to competitively invest and take advantage of increased earnings.

### **Recommendation:**

**The team recommends the district request a monthly account analysis for each account in order to determine if the current investment strategies are allowing the district to maximize interest earnings potential.**

The team analyzed operating accounts to determine if the district could have realized greater interest earnings. Because there were no account analyses available, the team computed the average daily balance (\$165,328) and utilized that number as the amount that could be invested. Had the entire daily balance been invested in the NJCMF or 91-day Treasury Bill (T-Bill), the district could have earned an additional \$5,303 or \$4,935.

However, these calculations do not take into account compensating balances or the need to keep a balance in the accounts, therefore, the team is not including this amount as a revenue enhancement.

### **Insurance**

All of the district's insurance policies are administered through the business administrator's office with general oversight provided by the designated commissioner.

### Property, Casualty and Liability

The district purchases property, casualty, general liability and automobile insurance through a broker/agent. The broker/agent is one of three providers of the Emergency Services Insurance Program (ESIP), a property/casualty insurance program designed for emergency service operations. A third party administrator provides claim administration.

The business administrator solicits bids from all three ESIP providers biannually. The district's use of competitive bidding has been a significant factor in a total premium cost reduction of \$50,583 since 1995, including a cost savings of \$12,592 from 1999 to 2000.

Another significant factor in the cost reductions is the low claim experience. According to staff and the insurance commissioner, the low claim experience is attributable to the district's commitment to safety through an established training and education program.

The following table details the cost to the district for property and casualty insurance coverage since 1995:

Coverage	1995	1996	1997	1998	1999	2000
Excess Liability	\$23,195	\$23,196	\$13,618	\$13,585	\$11,402	\$5,382
Property/Auto liability	\$49,738	\$46,435	\$48,264	\$47,142	\$44,556	\$43,784
Equipment	\$37,288	\$37,272	\$20,388	\$20,968	\$16,272	\$10,472
<b>Total Cost</b>	<b>\$110,221</b>	<b>\$106,903</b>	<b>\$82,270</b>	<b>\$81,695</b>	<b>\$72,230</b>	<b>\$59,638</b>

**The team commends the district for soliciting bids every two years, having an aggressive training and safety program, implementing a proactive risk management plan and for reducing its loss experience.**

The current property deductible coverage is \$250 per occurrence. Based on information provided by the broker, the district could save \$1,459 by increasing the deductible to \$1,000 per occurrence.

### **Recommendation:**

**The team recommends the district consider increasing its property deductible to \$1,000 per occurrence.**

**Cost Savings: \$1,459**

The team attempted to identify property and casualty insurance costs associated with one of the fire companies. The district did not have cost information specific to any of the coverage, rather only had the total policy cost. The team believes the breakdown of charges, by property and equipment, is an important component of a declaration page and is a management tool to be used in determining appropriate levels of coverage and the best price for that coverage.

**Recommendation:**

**The district should, as a matter of routine, request a breakdown of the property and casualty insurance coverage cost.**

The team noted that there has been audit findings regarding the lack of an appropriately maintained fixed asset inventory. While district staff was able to provide the team with insurance information regarding the coverage for buildings and property, the team was unable to cross reference that coverage with a fixed asset inventory to determine if coverage was appropriately assessed. In addition, a fixed asset inventory is vital in determining what equipment, furniture, etc., is covered under the “content” portion of insurance.

Staff indicated there has been consideration given to possible solutions aimed at correcting the audit finding in the most cost-effective fashion. One method discussed would involve firefighters preparing an inventory using a bar code scanning package. Such a method could be costly to the district because of the staff time involved and the need for annual updates. Also, such a system is not likely to include key data such as purchase and replacement costs. While this system may be helpful to the district to monitor disposable inventory, the team does not believe that it would adequately address concerns regarding a fixed asset inventory.

**Recommendation:**

**In order to appropriately insure property, the district should have a clear understanding of all property owned and its purchase and replacement values. To ensure insurance levels are appropriate, the district should undertake a comprehensive asset management and inventory control program of all property and equipment owned. The cost charged by a private firm to establish and catalog an adequate inventory control system would be approximately \$6,000.**

**One-time Value Added Expense: \$6,000**

Workers’ Compensation, Accident and Sickness Insurance

During 1995 through 1999, the district obtained workers’ compensation insurance through its broker/agent as part of its overall property and casualty insurance package. The district was able to join the Public Alliance Insurance Coverage Fund (PAIC) for 2000 coverage because it had reduced its experience modification factor to below the 1.25 minimum factor for membership. This will result in a premium reduction of approximately \$9,000 in 2000 (\$26,806 in 1999 vs. \$17,797 in 2000).

The workers’ compensation claim payment policy is an excellent example of the district’s attention to conservative management of tax dollars without having a negative affect on the delivery of emergency services. The payment policy closely mirrors the statutory guidelines for lost wage reimbursement (see the Best Practices section of the report) which is a common recommendation in LGBR reports. Further, the team reviewed paid claims incurred during 1998

and 1999 and found that even though there were thirteen workers' compensation injuries, there was no lost wage reimbursements incurred. The only payments were for medical bills stemming from the injuries.

**The district is commended for its workers' compensation program.**

During a tour of the facilities, the team noted that there is a firepole in the Grenloch Main Station. The pole had safety features to prevent children from being injured but there are significant risk factors for adults. Although it was reported that there have been no injuries in the verifiable past as a result of using the pole, the potential for injuries exists.

**Recommendation:**

**The team recommends the district adopt a policy prohibiting the use of a firepole at the Grenloch Main Station or any of the stations.**

Health Insurance

The district participates in Washington Township's plans for dental, prescription and health benefits because it was the most cost effective method identified. The cost to the district for these benefits in 1999 for its 16 employees was \$97,325. However, prices were not solicited from the State Health Benefits Program (SHBP) for health and prescription coverage.

The district could save between \$17,954 and \$31,166 in 2000 by participating in the SHBP, as follows:

Plan/ Coverage	Number Covered	Annual USHC Cost with Current Provider	Annual Cost Savings, Current vs. NJPLUS (SHBP)	Annual Cost Savings, Current vs. "Trad." (SHBP)	Annual Cost Savings, Current vs. USHC (SHBP)
US Healthcare: Plan X					
Single	0	\$0	\$0	\$0	\$0
H/W	0	\$0	\$0	\$0	\$0
Family	1	\$10,069	\$3,328	\$1,499	\$2,311
P/C	0	\$0	\$0	\$0	\$0
	1	\$10,069	\$3,328	\$1,499	\$2,311
US Healthcare: Plan V					
Single	5	\$17,980	\$4,964	\$1,114	\$2,155
H/W	3	\$23,053	\$5,671	\$1,083	\$2,455
Family	5	\$47,472	\$13,765	\$4,622	\$8,681
P/C	2	\$11,127	\$3,439	\$1,311	\$2,352
	15	\$99,632	\$27,838	\$8,130	\$15,643
	<b>16</b>	<b>\$109,701</b>	<b>\$31,166</b>	<b>\$9,629</b>	<b>\$17,954</b>

**Recommendation:**

**The team recommends the district apply for membership in the SHBP. As with the township, should all employees elect to have similar coverage as to what is currently provided, the district would save \$17,142 (\$1,499 for traditional, \$15,643 for USHC).**

**Cost Savings: \$17,142**

There is one part-time employee covered under the district's health coverage. During 1999, the district paid \$3,630 for health insurance, \$750 for dental and \$1,229 for prescription for a total cost of \$5,609. The district's employee policies manual notes that full-time, regular and probationary employees are to be provided with fringe benefits. While the manual defines full-time and probationary employees, there is no definition of regular. The manual does, however, specify that employees who work less than 20 hours per week are part-time and are not eligible for fringe benefits.

**Recommendation:**

**The team recommends the district provide health benefits to only those staff members who meet the definition of full-time employee. The team has adjusted the potential savings to reflect the cost should the district enroll through the SHBP.**

**Cost Savings: \$4,433**

The team discussed the creation of an insurance review committee under the township's insurance section. The district could benefit by utilizing that committee to review its policies.

**Recommendation:**

**The team recommends the district participate in the insurance review committee recommended in the township's insurance section. By doing so the district would receive impartial reviews of their insurance needs and coverage at no cost to the taxpayers.**

**Technology**

The lack of a technology plan was a contributing factor in many of the team's observations in regard to planning, acquisition and standardization of computer hardware and software. Adoption and implementation of a comprehensive plan, along with adopting policies regarding usage, would address the team's concerns.

**Recommendation:**

**The team recommends the district develop a technology plan that includes at least the items discussed above. The commissioners should review the plan, and once approved, budget the funds necessary for implementation in accordance with the projected timelines. Progress regarding the implementation should be closely monitored.**

**The school district could consider utilizing technology resources that may be available from local high school computer clubs and local university MIS majors to assist in the plan development and implementation. This would continue to promote the district's vision of volunteerism, provide students with a real life business problem, and help to limit costs.**

The team observed staff attempting to get assistance with the use of hardware and software. Questions had to be referred to the consultant, the manufacturer or to the commissioner.

#### **Recommendation:**

**The team has recommended the hiring of an IS professional for the township to provide technical support, training and website maintenance. The team recommends that the district utilize the resources of this staff member. The team has not estimated any additional cost to the district because the need to contact the manufacturer and consultant would be significantly diminished.**

#### Website

According to the management information commissioner, the district intends to develop an official web site. It is envisioned the site will include general information and promote events and volunteerism. The team noted that one of the volunteer companies already has a website that contains various linkages and takes advantage of advertising opportunities.

The team has recommended a township technology committee be created. That committee would be responsible for discussing technological needs throughout the township, including the various local entities located within the township borders. Also included is the recommendation is that the committee develops a web-site that includes details of all services provided by the various jurisdictions within Washington. This concept is also discussed under the shared services section.

#### **Recommendation:**

**The team recommends that the district participate in the committee and work with the committee in the development of a unified website that could include information relating to the district and fire company websites.**

#### Photocopiers

The district has four photocopiers; one at district headquarters and one in each of the three main fire stations. Three of the copiers are under a 39-month lease from a vendor. Conditions of the lease provide the district became the owner of the oldest copier and the first five months of lease were free.

The district does not monitor and record copier usage therefore data is not available to make an informed product selection, or to determine if their usage exceeds the copy limit under the current lease agreement. Failure to monitor the use of the copiers also eliminates the assurance that the copiers are being utilized for district business only.

The team compared the cost for the current contract to the New Jersey “cost-per-copy” (CPC-Contract Number T0206) contract. In order to perform the comparison, the team had to make an assumption regarding the number of copies made on each machine. The team assumed that there was less than 3,500 copies made per month at each of the stations and approximately 3,500 at the district. The team notes that the CPC contract is for a period of 36 months but applied the monthly cost to 39 months for comparative purposes.

	Monthly Utilization Assumption	Number of Units	Minimum Monthly Rental	Months to Be Charged	Cost Over Lease
<b>Current Contract</b>			\$560.00	34	\$19,040.00
Companies	< 3,500	3	\$24.40	39	\$2,854.80
District	3,500	1	\$69.50	39	2,710.50
<b>Total under CPC</b>					\$5,565.30
Potential Savings -- State Contract vs. Current Contract over 39 month period					\$13,474.70
Monthly Savings =		\$345.51	Annual Savings =		\$4,146.06

#### **Recommendation:**

**The team recommends the district consider utilizing the state CPC contract. It should also begin tracking the number of copies made on each copier.**

**Cost Savings: \$4,146**

#### **Purchasing**

The district has a “Payment of Claims” and “Purchasing Procedure” policy in place, however, it appears that it is not adhered to or kept up to date. The purchasing procedure states in paragraph one that “a purchase requisition from a department ... shall be submitted to the business administrator for review.” It goes on to delineate that the business administrator will approve or deny the request based on budget factors, need and fire district policy.

In practice, all requisitions (except vehicle related) are submitted to the district fire chief for approval. The bookkeeper, upon the chief’s approval, issues and processes purchase requisitions/orders. The vehicle supervisor issues vehicle related purchase requisitions/orders then delivers them to the bookkeeper for processing.

#### **Recommendation:**

**The team believes it is appropriate the chief serve as the central approving authority for all fire district purchases. This arrangement ensures purchases are for the appropriate items requested. The formal district policy needs to be revised and updated to reflect the change in the purchasing procedure, as does the business administrator’s job description.**



The district, which manually assigns purchase order numbers, utilizes a system assigning odd numbers to vehicle related purchases and even numbers for all other purchases. The New Jersey “Municipal Finance Administration” manual specifies local entities use “sequentially numbered multiple copy purchase order forms.”

**Recommendation:**

**The team recommends the district use pre-numbered purchase orders in accordance with the Municipal Finance Manual.**

Upon viewing the requisition/purchase order processing procedure the team noted a duplication of effort. The current finance software is unable to generate the actual purchase order document, therefore, the bookkeeper must type the purchase order, duplicating the process. The team estimates it takes the bookkeeper about 2½ hours per week.

**Recommendation:**

**The district should consider utilizing software that is capable of generating a pre-numbered purchase order. There are many types of software available at varying costs, but the team anticipates the value of the staff time saved should more than offset the cost of the software over time.**

The district issues monthly blanket purchase orders, not exceeding \$200 per vendor, for day to day items needed for operations and maintenance. The blanket purchase orders are drawn down upon presentation of receipts. Again, discounting duplication, we find this method to be efficient and verifiable.

The team noted the district routinely solicits three oral quotes for purchases under \$500 and three written quotes for those in excess of \$500. Such practice is commendable. The team noted however, that the district does not have anyone on staff who is a certified purchasing agent. Recent amendments to the Local Public Contracts Law provide greater latitude to local entities that have a Qualified Purchasing Agent (QPA). The team also discussed the changes to the law under the township’s purchasing section.

**Recommendation:**

**Under the new Local Public Contracts Law, the fire district will have a bid threshold of \$17,500 without a QPA and \$25,000 with a QPA. The district is encouraged to enter into a shared service agreement with the township to utilize their QPA. This relationship would not only raise the district’s bid threshold to \$25,000 but also enable them to stay current on law changes, new pricing cooperatives, volume discounts, state contracts, etc. The district would also benefit from not having to send one of their employees to all the required purchasing training.**

## **FIRE AND RESCUE OPERATIONS**

### **Volunteer Fire Companies**

The backbone of the district is its strong base of support from its three volunteer fire companies. It was apparent to the team, through interviews with each of the company chiefs and interaction with volunteers and paid district staff, that each of the companies have a strong sense of individual identity but, also, are united under the board and district goals and mission. The district chief serves as the liaison for the companies and the board and is responsible for oversight of fire and rescue operations.

Each of the fire companies has an impressive number of active volunteers, estimated to be between 130 and 150 volunteers. The team was able to identify many contributing factors to the high level of volunteer support including the junior firefighter auxiliary, community outreach efforts, availability of training, state of the art facilities and equipment, LOSAP, gym facilities, soliciting volunteers in the annual report and actively soliciting input and participation in policy making from the volunteers. The team heard repeatedly from the commissioners and paid staff that a primary goal is to continue to attract and retain volunteers.

The district is the financial backer of the companies. With the exception of the Whitman Square building, the district owns all of the equipment and properties, and the district accordingly pays all overhead costs including utilities, insurance, and capital costs. The district also provides direct funding of the companies through the annual budget. The board chair audits the companies' use of the funds each year to ensure proper usage. The 2000 funding is as follows:

<b>Funding Item</b>	<b>Grenloch</b>	<b>Whitman Square</b>	<b>Hurffville</b>
Training	\$12,500	\$12,500	\$12,500
Membership	\$10,000	\$10,000	\$10,000
Building Maintenance	\$6,500	\$6,000	\$5,700
Administration	\$2,500	\$2,500	\$2,500
	\$31,500	\$31,000	\$30,700

The various companies do limited fundraising activities. The district allows the companies to keep whatever funds they generate to use for "comforts" such as furniture. Each of the company chiefs indicated that fundraising activities are curtailed because property owners are already paying for fire protection through their tax dollars.

Unlike the rest of the companies' facilities, the Whitman Square Firehouse continues to be owned by the company, not by the district. It was reported to the team that there have been attempts to transfer ownership to the district but some of the company members have resisted.

The Whitman Square Volunteer Fire Company, No. 1 has a lease agreement with two separate entities. The area of the building known as the Washington Room, which includes an industrial kitchen area, is leased to a caterer. The caterer pays the company \$26,400 per year, or \$2,310 per month, for the term of the five year lease. The Gloucester County YMCA leases the basement for \$7,200 per year. The combined annual income for both leases is \$33,600.

Although the Whitman Square Volunteer Fire Company owns the building and property, the district provides the same level of support that is provided to the other companies, including maintenance costs, insurance coverage, and utilities. The district's insurance broker disclosed that the district will pay \$2,582 in 2000 for building and content coverage for this privately owned building. It was the team's understanding that apparatus and equipment are insured under separate coverage and, therefore, not included the property and contents cost. The district also budgeted an additional \$9,500 for a parking lot blacktop project which is expected to be completed in 2000. There are other tax funded benefits being provided, also, such as collection of trash, which is provided by the township to all fire district facilities at no cost to the district. The team noted that the dumpster was often filled with caterer trash.

The team has serious liability concerns regarding the operation of a catering business out of what is perceived to be a public building. The lease agreement with the caterer requires that he provide general public liability insurance protecting the fire company against any and all liabilities arising from use of the facility. However, the team was provided information regarding two lawsuits in which the company was named as a defendant. One of those cases, which appears to have been settled in 1999, resulted in district's insurance company paying \$17,500 in damages. Because the district is providing the insurance coverage for the building, it is in affect the district's insurance covering the damage and is likely that the settlement will have an affect on the insurance rate paid by the district. The net result will be increased costs to the taxpayers to support the private function of the company and caterer.

A secondary concern is that tax dollars are being provided to cover maintenance and insurance costs of a privately held property, although it appears that the company is generating sufficient funds to cover those costs.

The building and property are also classified as tax-exempt based on the philosophy that the building is used for governmental purposes. Allowing the property to be used by a for-profit entity raises concerns regarding the tax-exempt status for the portion of the building being used by a for-profit venture.

### **Recommendation:**

**The team recommends the board, district and company work cooperatively to turn the property over to the district. The timing is particularly pertinent, as the district is in the early phases of construction of the Whitman Square Substation.**

**If the company does not deed the property, the district should cease paying for building operational costs and insurance coverage. Those costs would include, at a minimum, maintenance allocation of \$6,000, building and content insurance costs of \$2,582 and black-topping of the parking lot at \$9,500.**

**Should the company continue to lease a portion of the property to a for-profit vendor, the township is encouraged to reconsider the tax-exempt status of the property. Further, the caterer should be required to provide the district evidence of adequate insurance which**

**names the district as well as the fire company as additional insured. The district solicitor should review the coverage to determine if the district is adequately protected by the terms of the policy and if the limits are sufficient.**

**Cost Savings: \$8,582  
Cost Avoidance: \$9,500**

### **Operations**

The district has 10 full-time firefighters to respond to calls between the hours of 6:00 a.m. and 4:00 p.m. Six of those firefighters were hired in 1999 from the volunteers; the other four positions were previously existing positions which were reclassified as firefighter/fire inspector (two), firefighter/head mechanic (one) and firefighter/assistant mechanic (one). During the weekdays, the full-time staff responds to calls when most of the volunteer firefighters are working their normal jobs. The full-time staff responded to 342 calls, or 35% of the districts total calls. In addition to the responsibilities of the paid firefighters discussed throughout this section, the firefighters are also assigned light maintenance work on the buildings and grounds, cleaning of the apparatus and equipment, and other related duties.

In 1998, the district was also given the responsibility for providing rescue services. To respond to the additional responsibility, the staff and volunteers have undergone extensive training and the district has retrofitted two engines with rescue equipment. In addition, the district took delivery of a heavy rescue truck early in 2000. The heavy rescue truck replaced a 1981 engine.

The district has a policy of selling apparatus when it is replaced. The team commends the district for that practice and encourages the district to continue selling surplus equipment to assist in offsetting the cost of operations.

As mentioned above, the district does not have a formalized plan for replacement of equipment. However, based on information provided by staff, it appears that apparatus is replaced on a 20-year cycle, which is the generally accepted standard of the National Fire Protection Association (N.F.P.A. 1901).

In total, there are six pumpers, two reserve pumpers, two ladder trucks, and one service company (heavy rescue) in the district, which appears to be in line with the ISO standards. Generally, as a result of the last ISO review in 1993, the township has a rating of four. However, that rating was based on a population of 27,878 and was complicated because the township has several zip codes within its jurisdiction that has resulted in properties in one zip code in the township being assessed a different insurance rate than the other townships. District staff has initiated contact with ISO to pursue undergoing a new review which they believe will result in a rating which is more favorable to the property owners.

There were 971 calls for service during 1999, of which 274 (28%) were actual fires, 104 rescue calls (11%) and 333 (34%) various alarm calls, including malfunctioning systems, unintentional activation and malicious alarms. The district chief indicated that he has been working to reduce the number of false alarms and felt that there had been some accomplishment in that area in 1999. However, it is difficult to do an accurate comparison of the number of calls compared to

prior years because each of the volunteer companies that responded to a call would count the call in their response data. In 1999, the district noted the duplication and began counting each call only once. The team has recommended a strict enforcement of the township's alarm ordinance, which should assist in further reducing the number of malfunctioning, unintentional, and malicious alarm calls to which the firefighters respond.

The district provides each employee, with the exception of business administrator, bookkeeper and secretary, with uniforms. In addition, in 1999, each uniformed employee was given \$720, or \$60 per month, for the annual clothing allotment given to maintain adequate and presentable daily attire. The uniform cleaning standard generally utilized by LGBR is \$350 per year, which equates to savings of \$370 per employee annually. There were 11 uniformed full-time employees and one part-time employee to receive the benefit in 1999 for a total cost of \$7,740. Reducing the cleaning allowance to \$350 would have saved the district \$3,803 or about half of what was paid in 1999. The savings would be slightly greater in 2000 because the six firefighters only received 11 months of clothing allowance in 1999.

#### **Recommendation:**

**The team recommends the district reduce the uniform cleaning allowance to \$350 per year.**

**Cost Savings: \$3,803**

#### **NFIRS**

The district participates in the National Fire Incident Reporting System (NFIRS). The system allows fire departments to voluntarily report data to the national network and utilize the comparative data in the local decision making process. It was reported to the team that only about 40 departments throughout the state utilize the system.

**The district is commended for utilizing the NFIRS.**

#### **Length of Service Award Program**

##### **Program Description**

A Length of Service Awards Program (LOSAP) is a pension-like plan that provides volunteers in local emergency service organizations with tax-deferred income benefits.

The Washington Township Fire District plan is a defined-benefit plan that pays each company member who accumulates 20 years of credited service a fixed amount per month. The district contributes on behalf of the volunteer into a tax-deferred account. The fixed amount was \$200 per month at the age of 65 until October, 1999, when the board increased the monthly benefit to \$250 at age 62. At the time of the review, the three companies had approximately 130 total volunteer firefighters. Of that number, 102 are potentially eligible for LOSAP.

### Point System

The district utilizes a point system based on time spent in fire service to the community. The point system requires each member earn at least 50 points per year in order to get a credited year. Points are distributed as follows:

- Five points for each training course attended, up to maximum of 25 points.
- One point for attending commission meetings.
- Responding to fire calls:
  - Making 25% or more fire calls is worth 25 points.
  - Making 15%-24% is worth 15 points.
  - Making 10%-14% is worth 10 points.
  - Less than 10% of total number of fire calls is worth 0 points.
- Up to a maximum of 25 points for participating in non-emergency functions such as fire prevention activities, etc.
- One point for each two hours of drill attendance, up to maximum of 25 points.
- One point for each two hours of driver training, up to maximum of 25 points.
- Up to 10 points per year for serving as an elected official on the board or for a company.

It appeared to the team that the point program is strictly enforced by the commissioners.

**The team commends the board for creation and utilization of a reasonable, standardized point system. The point system is structured such that a member must be well rounded and can not accumulate enough points by just going to meetings or fire calls or training sessions. In order to qualify, the member must participate in a myriad of fire district related activities.**

### Financial Information

The district solicits for a LOSAP third party administrator and awards the contract to the respondent with the best deal for the fire district.

**The team also commends the district for competitively pricing the LOSAP program with various financial firms to ensure they are getting the best deal for the taxpayers.**

The fire district expenditure for this program is shown below:

WTFD	
LOSAP Expenditures	
1997	\$55,676
1998	\$55,925
1999	\$60,000
2000*	\$85,000
*Define benefit increase to \$250	

While LOSAP may not be in and of itself the reason for such a large volunteer base, it certainly is a contributing factor. The commissioners and the district chief expressed a belief that the LOSAP expenditure is a small price to pay to help attract and retain 130 volunteer firefighters and the team concurs. The cost of the program to the district for 2000 is slightly less than the cost to hire two additional firefighters versus what is, in essence, the staff cost of 102 volunteers.

Believing that other local entities would be well served to use the Washington plan as a model, the team has included this program in the Best Practices section of this report.

### III. COLLECTIVE BARGAINING ISSUES

An area that frequently presents significant opportunities for savings is negotiated contracts. While they represent opportunities for savings, the savings and contract improvements are most likely to occur incrementally, through a well-conceived process of redeveloping compensation packages to be equitable and comprehensive. For this reason we present those issues subject to collective bargaining agreements separately in this section.

None of the employees of the fire district are covered by a bargaining unit, therefore, this section relates only to township employees. Township employees are covered by seven bargaining unit contracts:

- American Federation of State, County and Municipal Employees (AFSME) Local 3303A. Represents blue-collar employees, Department of Municipal Services. Contract term 1/1/98 through 12/31/01.
- American Federation of State, County and Municipal Employees (AFSCME) Local 3303L. Represents clerical employees. Contract Term 1/1/99 through 12/31/02.
- Supervisors and Coordinators Association. Represents supervisors and coordinators up to department head level. Non-confidential employees. Contract term 1/1/99 through 12/31/01.
- Police Dispatchers Association. Represents police dispatchers and dispatch supervisors. Contract term 1/1/98 through 12/31/00.
- Police Benevolent Association (PBA) Local 318. Represents police officers and corporals. Contract Term 1/1/98 through 12/31/00.
- Fraternal Order of Police (FOP) Lodge 86. Represents police sergeants. Contract Term 1/1/98 through 12/31/00.
- Fraternal Order of Police (FOP) Lodge 86. Represents police lieutenants and captains. Contract Term 1/1/98 through 12/31/00.

#### **Sick Day Buyout and Terminal Leave**

By contract, township employees can be paid for unused sick time each year upon accumulation of 50 days. Each bargaining unit has negotiated its own number of days that can be “bought back,” as detailed below:

<b>Bargaining Unit</b>	<b>Days</b>
AFSME Local 3303A	15
AFSME Local 3303L	12
Supervisors and Coordinators	15
Dispatchers	15
PBA 318	15
FOP Lodge 86 sergeants	0
FOP Lodge 86 Superior Officers	5



The 1999 cost of this contracted benefit was \$351,786. Terminal leave is also varied among the several contracts. A more prudent practice would eliminate the annual buyout in favor of a sick leave buyout at retirement that mirrors the state policy. An employee could be reimbursed for half of the accumulated sick days to a maximum of \$15,000. The township had approximately 220 full-time employees during 1999. In order to reach the \$351,786 in a given year, approximately 23 employees, or 10% of the full-time workforce, would have to retire. Assuming a more conservative five retirements per year, the township would save \$276,786 annually if it successfully negotiated to eliminate the sick time buyout and cap the terminal payment at \$15,000.

### **Recommendation:**

**The team recommends the township negotiate to eliminate the annual sick day buyout.**

**Potential Cost Savings: \$276,786**

### **Vacation**

Vacation leave for all bargaining units is acceptable and consistent with schedules granted by other comparable local bargaining units. All schedules increase with length of service and max out in the 20<sup>th</sup> year.

With respect to FOP 86 sergeants, vacation schedule includes sick and personal time annual allotments, while FOP 86 superior officers includes only personal time annual allotments. Members of AFSME Local 3303A, 3303L and supervisors and coordinators are entitled to a maximum of five days carry over. If the time is not used in the carry over year, it is lost. Police dispatchers, PBA Local 318 and FOP 86 sergeants are entitled to a maximum carry over of one year's vacation leave credit. If it is not used in carry over year, it is lost. Members of FOP Lodge 86 supervisors are entitled to carry a maximum of 100 days. On the surface this seems excessive. However, it is the basis for their terminal leave and will be discussed in the following section.

**We commend the township for negotiating and adopting a vacation schedule with AFSME Local 3303A, 3303L and supervisors and coordinators limiting the amount of allowable vacation carry over which is considerably less LGBR benchmarks.**

### **Longevity**

Members of AFSCME Local 3303L are entitled to longevity, included in the base pay, payable in a lump sum:

<b>Years Completed</b>	<b>Prior to 3/13/97</b>	<b>After 3/13/97</b>
5	3.5% base salary	\$500
10	5% of base salary	\$750
15	6% of base salary	\$1,000
20	6.5% of base salary	\$1,500

Similarly, members of PBA Local 318 are entitled to longevity included in the base pay. After 1/1/95, the maximum longevity payment was set at \$4,750 regardless of years of service and base pay.

**The township is commended for successfully eliminating longevity payments to members of AFSCME Local 3303A, supervisors and coordinators, police dispatchers and both FOP units. We further commend the township for negotiating flat amounts for recent members of AFSCME Local 3303L.**

#### **Recommendations:**

**The team recommends the township continue to negotiate to eliminate longevity on 1999 payroll data. The township paid approximately \$126,344 for longevity payments to members of PBA 318 plus pension costs of \$19,874 and \$31,023 to members of AFSCME Local 3303L. Because the longevity was added to base pay, the township had to pay an additional \$12,039 in social security and Medicare payments. The total 1999 savings would be \$189,280, if the township successfully negotiated eliminating the longevity payment.**

**Potential Cost Savings: \$189,280**

#### **Holidays/Inclement Weather**

Members of non-public safety bargaining units receive 13 holidays. Members of PBA Local 318, police dispatchers and FOP Lodge 86 sergeants receive 13 days holiday pay plus 1/2 day's pay for each holiday worked. Additionally, members receive 1.5 times the hours worked when the township is closed due to inclement weather. According to payroll data, the township paid \$197,145 (\$171,357 police plus \$25,788 dispatchers) for these benefits in 1999.

#### **Recommendation:**

**The team recommends the township negotiate the removal of the ½ day for each holiday worked and eliminate the overtime pay for hours worked on regular shift for inclement weather closures. The team estimates this will result in a cost reduction of approximately 20%.**

**Potential Cost Savings: \$39,429**

#### **Clothing and Tool Allowance**

Members of AFSCME Local 3303A, receive a maximum \$700 clothing allowance, except that auto-mechanics are provided uniforms. The auto mechanics are, however, entitled to receive a \$800 tool replacement allowance per year. Actual tool replacement expense in 1999 was \$2,400 or about \$480 per member and clothing allowance expense in 1999 was \$11,075 or \$346 per member. The amount the township could have potentially had to reimburse was \$26,400 if each eligible employee utilized the maximum amount.

**Recommendation:**

**The team recommends the township negotiate a variation of the New Jersey State Police Quartermaster System. In this type of system, the township supplies uniforms and bids cleaning services. LGBR benchmarks establish the clothing cost to be \$300 - \$350 per member for the 32 members and tool replacement cost to be \$250 per member for the five mechanics. Total potential cost would be \$12,450.**

**Potential Cost Savings: \$13,950**

Police dispatchers receive initial issue, \$800 annual allowance and \$550 annual replacement. Maximum exposure to the township in 1999 was \$14,850 for 11 members. Actual expense was \$7,233 or \$658 per member.

**Recommendation:**

**The team recommends the township negotiate the quartermaster system as stated above. LGBR benchmarks establish the uniform cost to be \$350 per member for a total projected cost of \$3,850.**

**Potential Cost Savings: \$11,000**

Members of PBA Local 318 receive initial issue, \$1,050 maintenance and \$650 for replacement. Maximum exposure to the township in 1999 was \$100,300 for the 59 members. Actual expense was \$66,898 or \$ 1,134 per member.

**Recommendation:**

**Again, the team recommends the township negotiate the quartermaster system with an estimated cost of \$350 per member. The total projected cost is \$20,650.**

**Potential Cost Savings: \$54,347**

**AFSCME Local 3303L Workweek**

The 31 clerical staff covered under the AFSCME Local 3303L contract work 32-hour, four-day workweeks. The result is the clerical support staff and the department heads, with the exception of the director of municipal support services and police chief, work Monday through Thursday and the main municipal building is closed for business on Fridays. The township building is open until 8:00 p.m. on Thursday to accommodate residents.

**The township is commended for staying open late on Thursday evenings to be available for the public.**

While LGBR has reviewed some municipalities that have summer hours, meaning the staff work four days a week, those municipalities require staff rotate hours so the municipal building is

staffed Monday through Friday. During the interview process, the team heard several concerns regarding the municipal building being closed for business on Friday from municipal staff, the governing body and members of the public.

The team performed an analysis of the potential cost to the township for negotiating a 35-hour workweek for the staff covered under this contract. Utilizing the distribution of staff as reflected on the 1999 payroll data, and the negotiated base salaries for both 1999 and 2000, the analysis indicates it would cost approximately \$80,183 to expand the employees' to 35 hours. The analysis is found in Appendix M. Department heads are not covered by a contract, therefore, there is no estimated additional cost if their workweeks were expanded to 35 hours.

**Recommendation:**

**It is a reasonable expectation that the municipal building and staff be available to the public Monday through Friday to transact business. The team recommends that the township negotiate to expand the workweek to include Friday for all municipal operations. By expanding the workweek to 35 hours, staff could potentially continue to work four days a week, but have staggered hours to ensure appropriate coverage. It should be noted that the cost savings, value added cost, and negotiated savings recommendations throughout this report are based on the current salaries of the 32 hour workweeks and salaries when addressing clerical support staff.**

**Potential Value Added Expense: \$80,183**

#### **IV. SHARED SERVICES**

Tremendous potential for cost savings and operational efficiencies exists through the implementation of shared, cooperative services between local government entities. In every review, Local Government Budget Review strives to identify and quantify the existing and potential efficiencies available through the collaborative efforts of local officials in service delivery, in an effort to highlight shared services already in place and opportunities for their implementation.

The township and the fire district have sought cost savings opportunities. Some areas where shared services have been successful include:

- health insurance;
- fire district apparatus inspections with other municipalities;
- recreation and sports facilities; and
- trash pick-up.

The township and district are encouraged to continue to pursue ways to share services. Additional suggestions provided by the team includes:

- insurance committee;
- purchasing agent (QPA), library, township, fire district;
- technology committee/website;
- youth service programs;
- recreation;
- emergency management coordination; and
- information systems technical support.

In addition to savings to be realized by joining services, there are two new state programs designed to encourage and reward local governmental units and their taxpayers for regionalizing, sharing and joining services with other units of local government. The Regional Efficiency Development Incentive Act (REDI) provides funds to local units to study the feasibility of joining services. The second program, Regional Efficiency Aid Program (REAP) provides direct tax relief for any local government regional service agreement signed after July 1, 1997. These programs are administered by the New Jersey Department of Community Affairs (DCA), Division of Local Government Services. The township is encouraged to contact DCA for additional information.

## V. STATUTORY AND REGULATORY REFORM

The fifth and final section of the report, Statutory and Regulatory Reform, attempts to identify those areas where existing state regulations or statutory mandates are brought to the attention of the LGBR review team by local officials which appear to have an adverse effect on efficient and cost effective local operations. It is common for local officials to attribute high costs and increased taxes to “state mandates.” Each review team is then charged with reporting those areas in this section of the report. The findings summarized below will be reviewed by the appropriate state agency for the purpose of initiating constructive change at the state level.

The date and time of annual elections for fire districts is set by state statute. N.J.S.A. 40A:14-72 mandates that the annual election for fire districts is held on the third Saturday in February. N.J.S.A. 40A:14-76 further establishes the polls are to be open between the hours of 2:00 and 9:00 p.m., although the fire district board of commissioners may keep the polls open later.

At those February elections, taxpayers are given the opportunity to elect commissioners, to approve the annual budget of the district and to vote on specific questions. After approval of the budget, the level of support needed from the local tax base is translated into a tax rate and included in the property owners’ tax bills. The district tax is listed separately on the tax bill.

In Washington Township, as is common, the number of votes cast in the fire district election is significantly less than the number of votes cast in general elections. Information provided by the township clerk indicates that there were approximately 27,586 registered voters in the township at the time of the general election in 1999. There were 10,091 ballots cast in the 1999 general election meaning that there was a 36.6% voter turnout. By comparison, there were only 340 ballots cast in the 1999 fire district election, representing 1.2% of the registered voters. Similarly, approximately 36.3% of the registered voters cast ballots in the 1998 general election, and again, only 1.2% in the fire district elections.

The township noted that the low voter turnout is reflective of the fire district election being held apart from the general election and, particularly, because it is held on a Saturday rather than on a weekday. Changing the election date and time to coincide with the general elections would result in a broader base of taxpayer participation in the setting of the spending authority of the district, which in 1999 equated to \$2,867,903 to be raised by taxation.

### **Recommendation:**

**State statutes establishing the third Saturday in February, between the minimal hours of 2:00 and 9:00 p.m., should be revised to change the fire district election date and times to coincide with the November general elections. Such a change may require amendments to other state statutes governing elections.**

## **LOCAL GOVERNMENT BUDGET REVIEW ACKNOWLEDGEMENTS**

Roland M. Machold, State Treasurer  
Peter R. Lawrance, Deputy State Treasurer  
Robert J. Mahon, Director, Local Government Budget Review  
JoAnne M. Palmer, Deputy Director, Local Government Budget Review

Ulrich H. Steinberg, Jr., Director, DCA, Division of Local Government Services

### Township of Washington Review Team

Debra A. Fourre, Team Leader  
Local Government Budget Review

Robert Daniello, Local Government Budget Review  
Robert Harding, Local Government Budget Review  
Thomas Hunter, Local Government Budget Review  
Edward Montague, Local Government Budget Review  
Andrew Salerno, Local Government Budget Review  
Edward Sasdelli, Local Government Budget Review  
Michael Weik, Local Government Budget Review

Website address: [www.state.nj.us/lgbr](http://www.state.nj.us/lgbr)

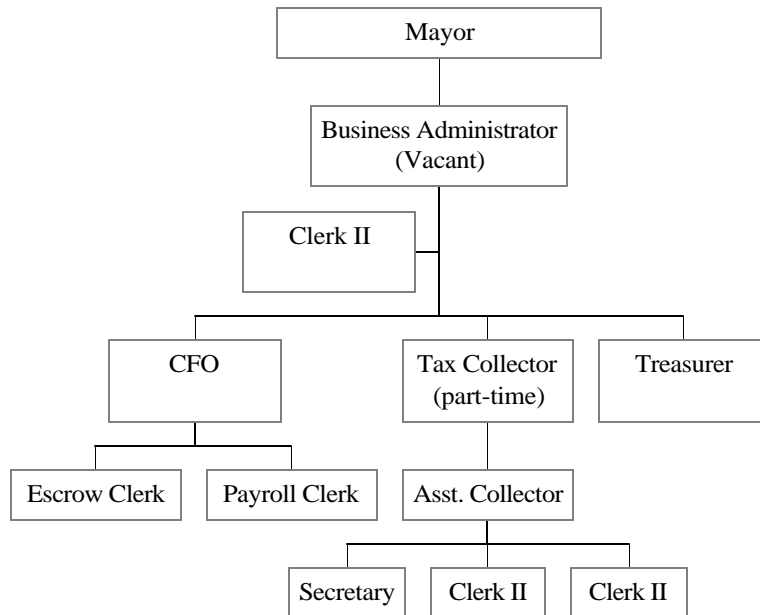
## Appendix A

<b>1999 Professional Services Expenses</b>			
	Paid via purchase order	Paid via salary	Authorized by Resolution
<b>Legal</b>			
Twp Solicitor	\$7,751	\$96,000	Yes
Special Counsel (Police Discipline)	\$4,000		Yes
Special Counsel (rep. Twp Council)	\$3,580		Yes
Special Counsel (Worker's Comp.)	\$1,095		Yes
Bond Counsel	\$15,665		Yes
Bond Counsel	\$5,441		Yes
Planning Board Counsel	\$16,806		Yes
Zoning Board Counsel	\$8,950		Yes
Special Counsel (Court Order Compliance)	\$4,240		No
Special Counsel (Police Discipline)	\$450		No
Special Counsel (Police Discipline)	\$1,141		No
Special Counsel (Labor Relation)	\$7,375		No
Special Counsel (Police Discipline)	\$750		No
Special Counsel (Police Discipline)	\$1,154		No
<b>Total Legal</b>	<b>\$174,397</b>		
<b>Auditing</b>			
Auditor (outgoing)	\$88,463		Yes
Auditor (incoming)	\$6,468		Yes
<b>Total Auditing</b>	<b>\$94,931</b>		
<b>Engineering</b>			
Mun. Engineer	\$161,839		Yes
Other Engineering	\$86,340		Yes
Other Engineering	\$50,089		Yes
Other Engineering	\$1,669		No
Environmental Engineering	\$340		No
<b>Total Engineering</b>	<b>\$300,277</b>		
Planning Board Planner	\$30,070		
<b>Grand Total</b>	<b>\$599,675</b>		

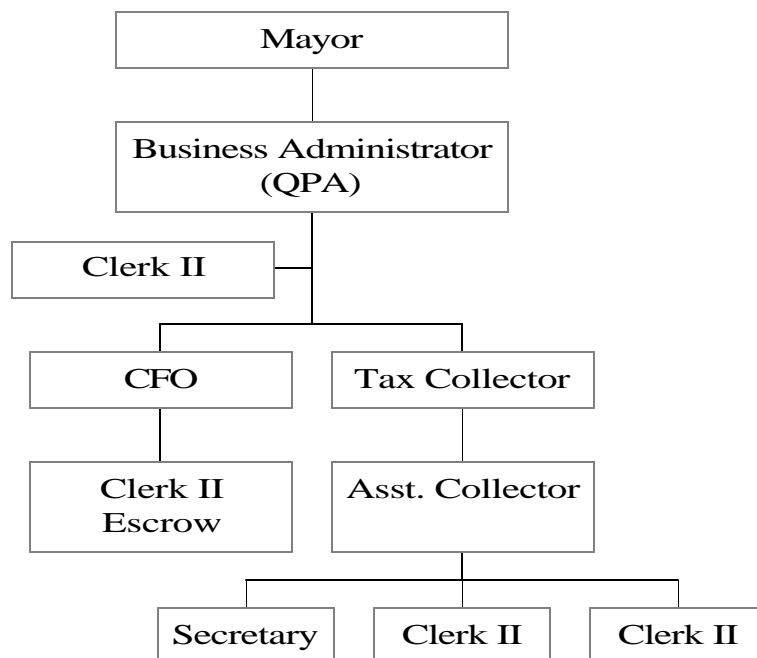


## Appendix B

### FINANCE & ADMINISTRATION (Currently)

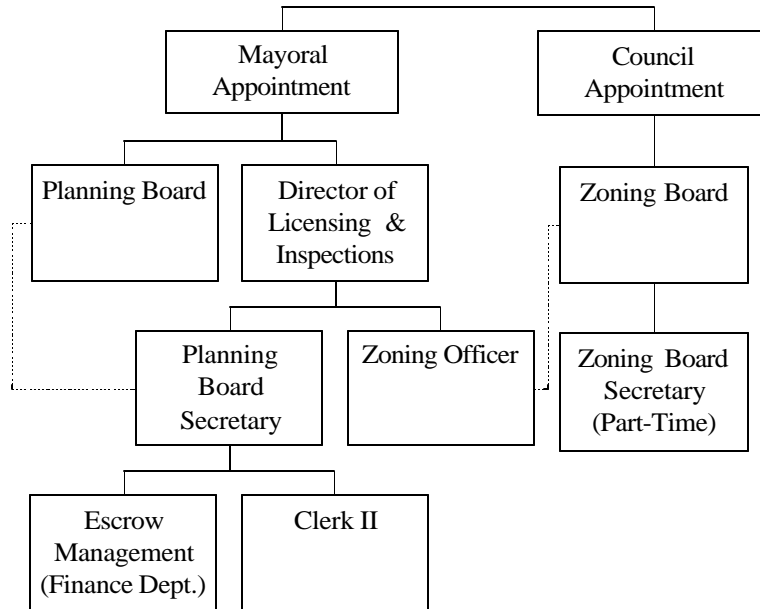


### FINANCE & ADMINISTRATION Proposed Table of Organization



## Appendix C

### Current Planning & Zoning Function



## Appendix D

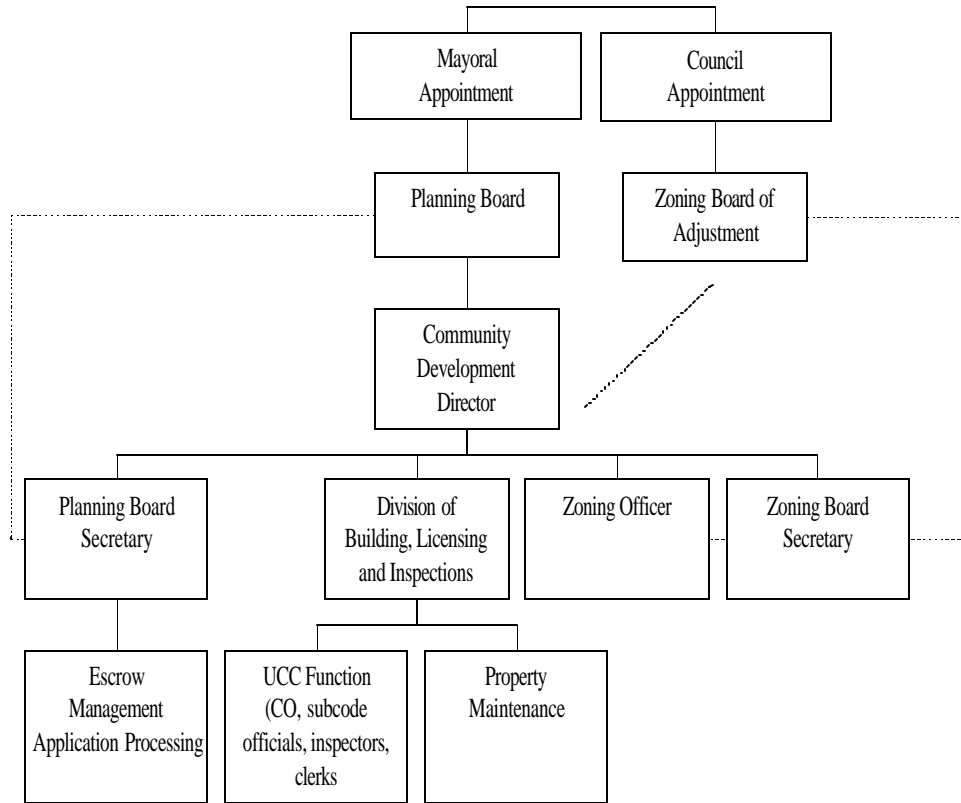
### N.J.A.C. 5:93-10.1 Purpose and Scope

(a) Section 14(b) of the Fair Housing Act (N.J.S.A. 52:27D-301 et. seq.) incorporates the need to eliminate unnecessary cost generating features from municipal land use ordinances as a requirement of substantive certification. In order to receive and retain substantive certification, municipalities shall eliminate development standards that are not essential to protect the public welfare and to expedite (or "fast track") municipal approvals/denials on inclusionary development applications. In order to expedite the review of development applications, municipalities shall cooperate with developers of inclusionary developments in scheduling pre-application conferences. Municipal boards shall schedule regular and special monthly meetings (as needed) and provide ample time at these meetings to consider the merits of the inclusionary development application. The goal of such a schedule is to act on a development application within time limits approximating those outlined in the Municipal Land Use Law (N.J.S.A. 40:55D-1 et. seq.) Failure to expedite the approval/denial of an inclusionary development application shall be considered a reason for revoking substantive certification.

(b) Inclusionary developments that are included in a housing element and fair share plan have proceeded through a very public process. Therefore, the focus of municipal review shall not be whether the sites are properly zoned. Rather, the focus shall be whether the design of the inclusionary development is consistent with the zoning ordinance and the mandate of the Fair Housing Act regarding unnecessary cost generating features. Municipalities shall be expected to cooperate with developers of inclusionary developments in granting reasonable variances necessary to construct the inclusionary development.

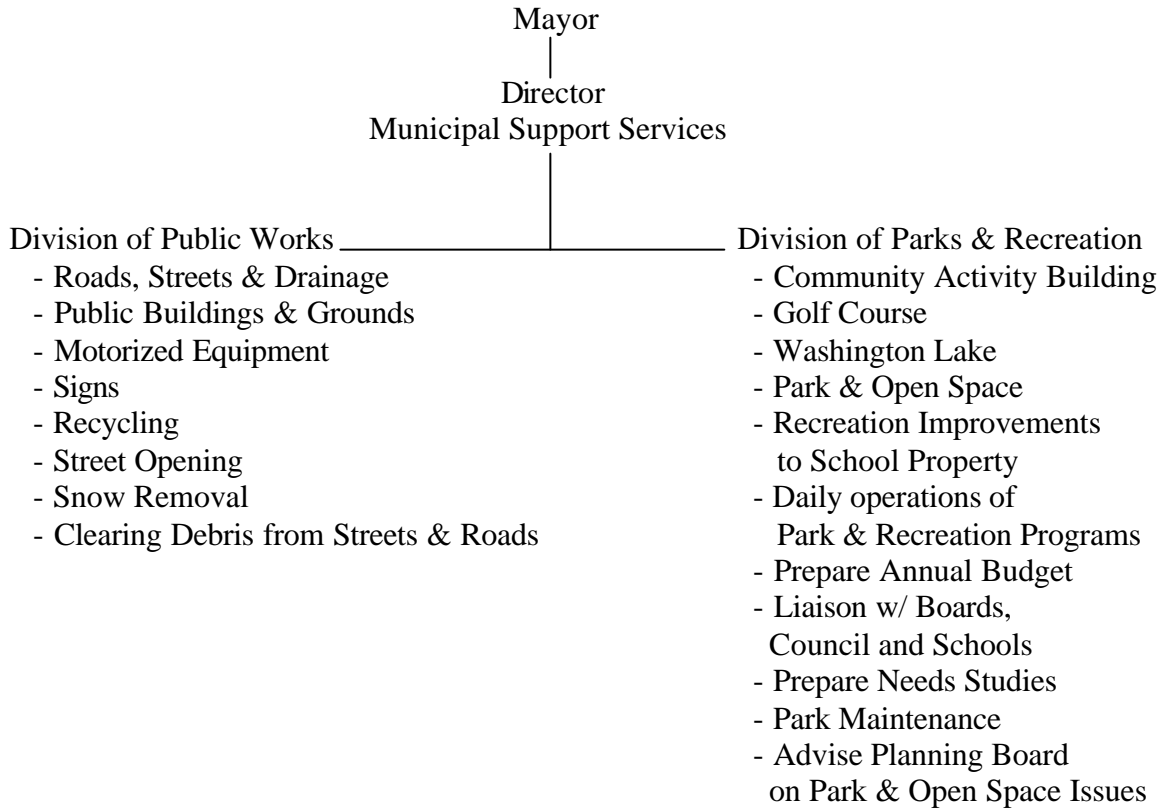
## Appendix E

### Proposed Department of Community Development



## Appendix F

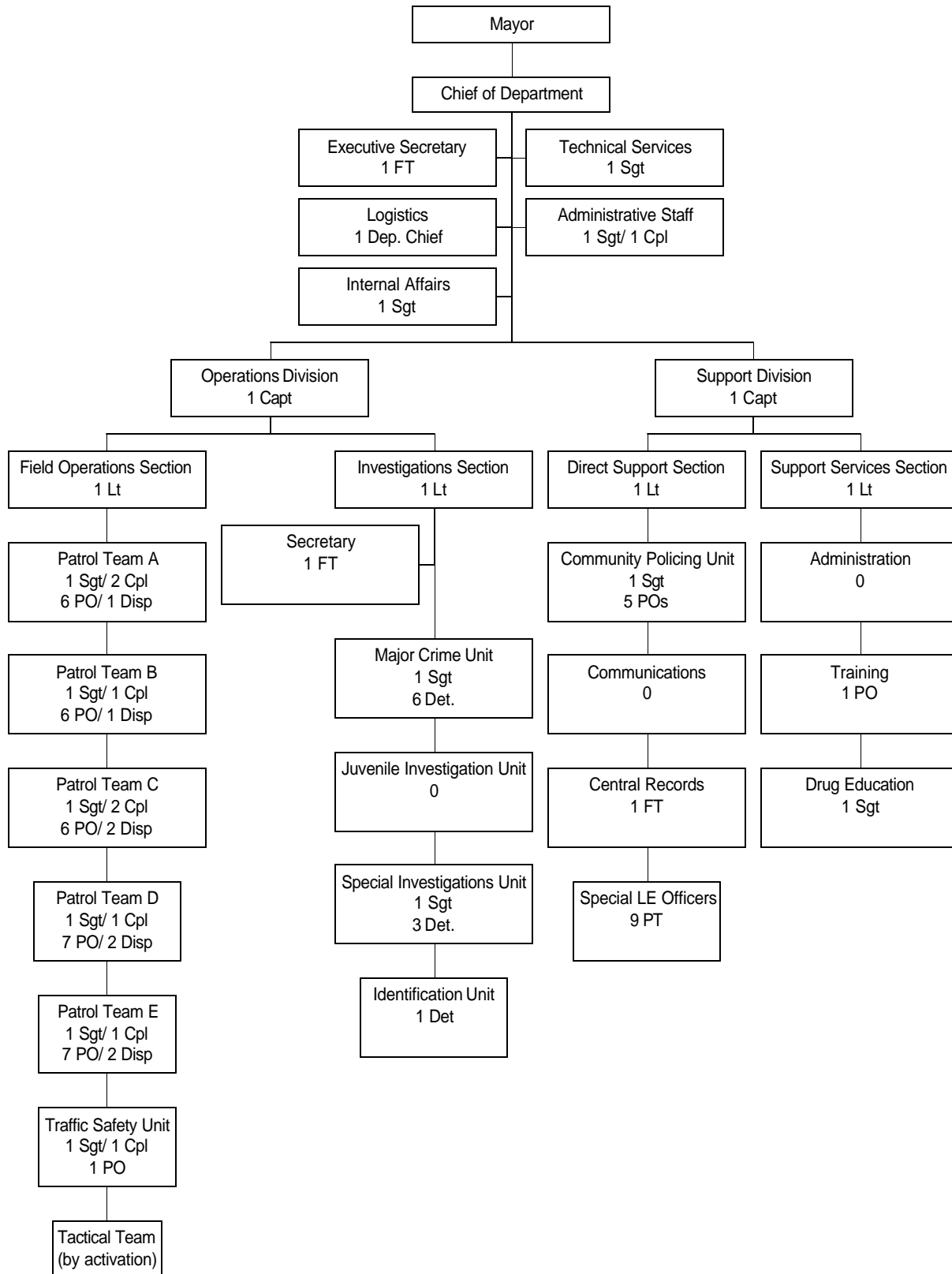
### Table of Organization Department of Municipal Support Services (as depicted in the administrative code)



Using Twp Pavement Management Program				
	Without		With	
Time	PMP	Comments	PMP	Comments
5 yr point	\$ -		\$ 77,442	Seal Coat
10 yr point	\$ -		\$ 183,925	1.5" Overlay
15 yr point	\$ -		\$ 77,442	Seal Coat
20 yr point	\$ 1,006,746	Full Reconstruct	\$ 300,087	2" Mill & Overlay
25 yr point	\$ -		\$ 77,442	Seal Coat
30 yr point	\$ -		\$ 183,925	1.5" Overlay
35 yr point	\$ -		\$ 77,442	Seal Coat
40 yr point	\$ 1,006,746	Full Reconstruct	\$ 300,087	2" Mill & Overlay
<b>Total</b>	<b>\$ 2,013,492</b>		<b>\$ 1,277,792</b>	

## Appendix G

### Washington Twp PD (Current)



## **Appendix H**

### **Definition Section**

#### **Definition of Terms**

For the purpose of this report the following definitions will apply:

#### **Appropriate Authority**

Statutory position established in 1981 to provide for civilian oversight or “line of authority” for municipal police departments. The appropriate authority can be “the mayor, manager, or such other appropriate executive or administrative officer, such as a full-time director of public safety, or the governing body or any designated committee or member thereof, or any municipal board or commission established by ordinance for such purposes...” The chief of police is “directly responsible to the appropriate authority for the efficiency and routine day to day operations” of the police department. The appropriate authority is also responsible for promulgating all police rules and regulations.

#### **Director of Police**

A director of police may be appointed, in addition or, as an alternative to appointing a chief of police. A civilian employee entitled to assume the duties and responsibilities ordinarily assigned to the chief of police to direct, manage, control, supervise, and direct the daily operations of the police department. The duties and responsibilities of the director of police shall include, but not necessarily be limited to, responsibility for the operation of the police department, establishment of policies for the department, and promulgating rules (if also designated as appropriate authority) for the members and employees of the department.

#### **Member**

A sworn law enforcement officer who holds the title of police officer, detective, corporal, sergeant, lieutenant, captain, deputy chief, or chief.

#### **Employee**

A non-sworn civilian who holds the title of clerk, secretary, dispatcher, special officer, or director.

#### **Line**

An ordered system or management of human and material resources that makes possible all operating functions of an organization toward the attainment of its mission.

#### **Staff**

A group of assistants (administrators) who aid in the execution of a mission. The *de facto* executive group of the police department who plan, organize, direct, and control the agency's activities toward the attainment of its mission.

**Circadian Clock**

The human body's daily rhythmic activity cycle based on a 24-hour period.

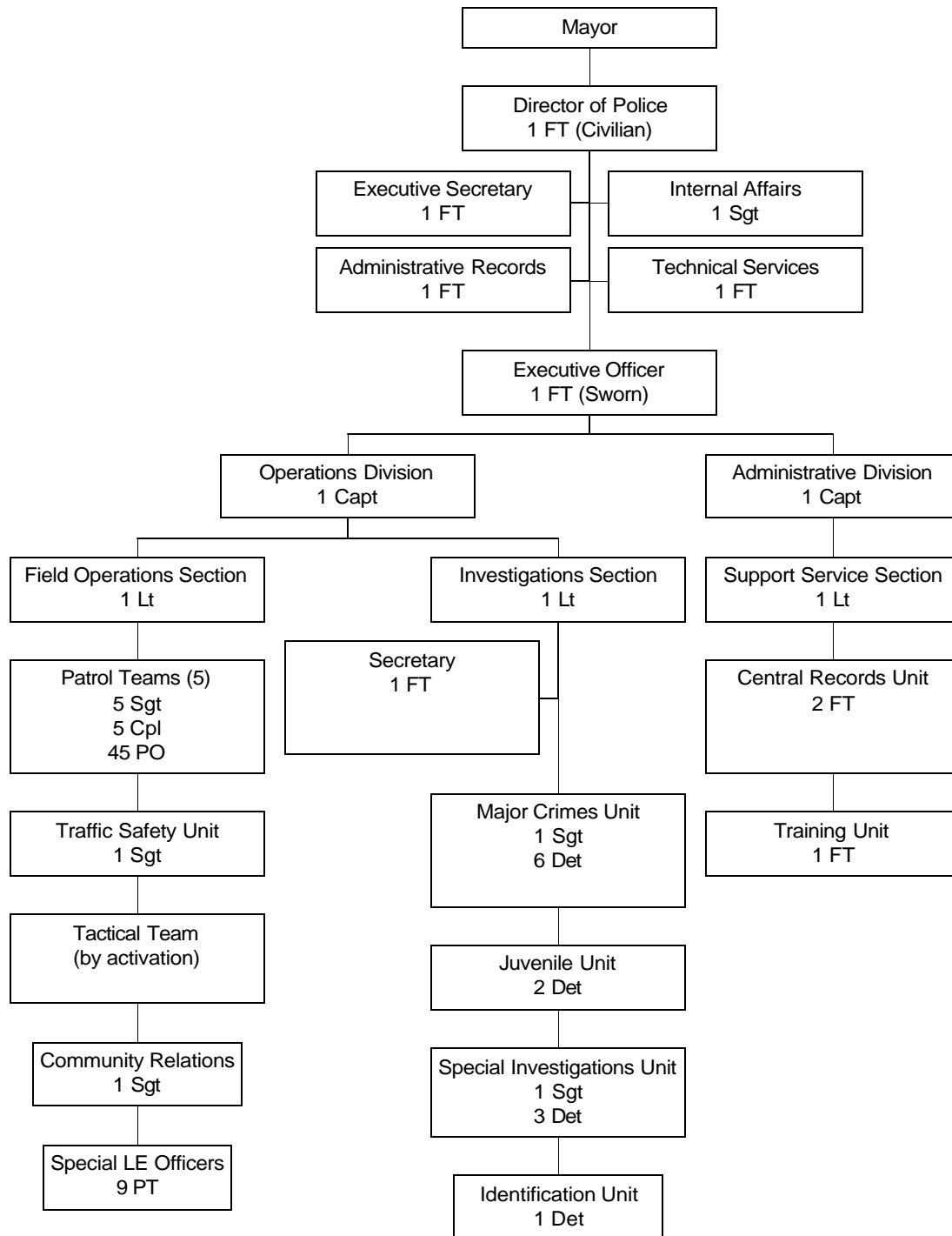
**Directed Patrols (Specific Target Oriented Patrols)**

The strategic use of effective acts to achieve an immediate objective; to commit resources to a particular area for the purpose of crime prevention and/or criminal apprehension (as opposed to random patrols).



## Appendix I

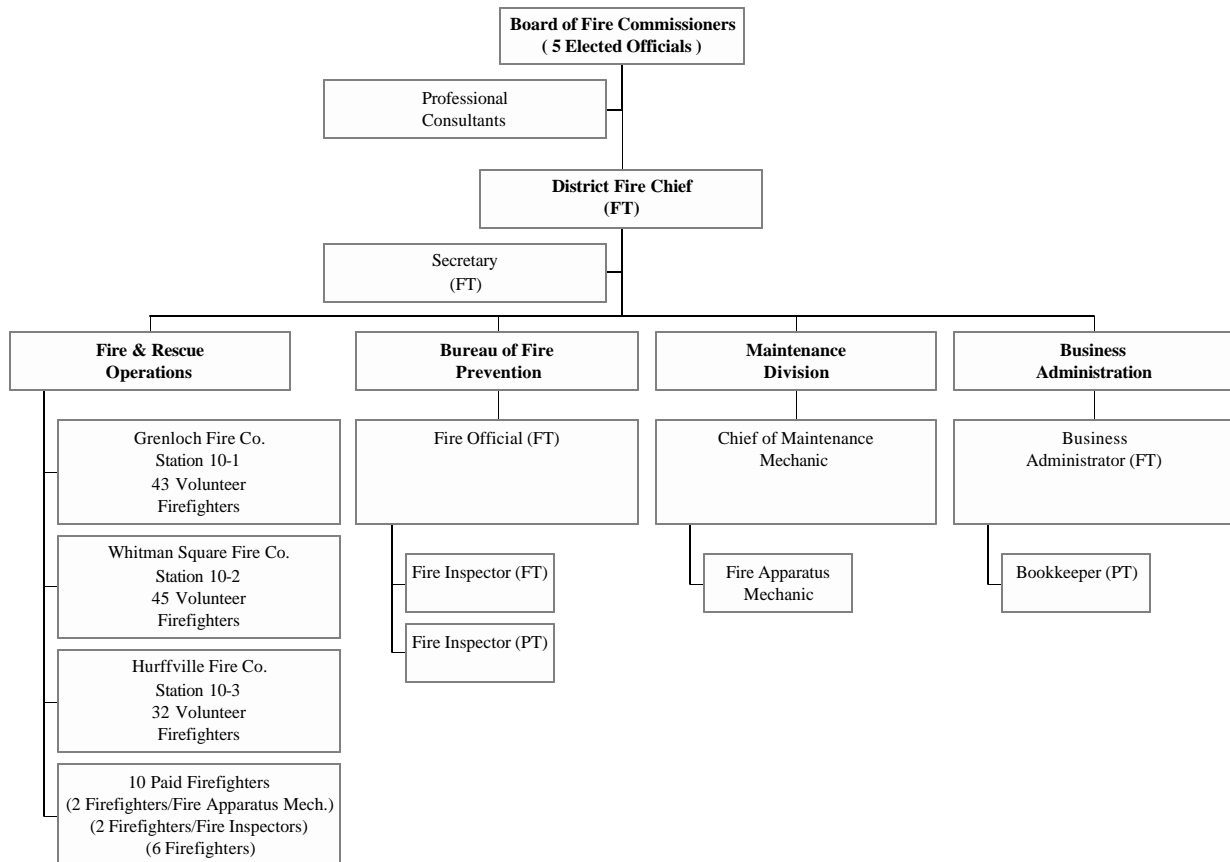
### Washington Twp PD (Proposed)



*\*Note tha if the township transitions to the above table of organization the department can be downsized by one lieutenant through attrition at an annual savings in position value of \$96,670.*

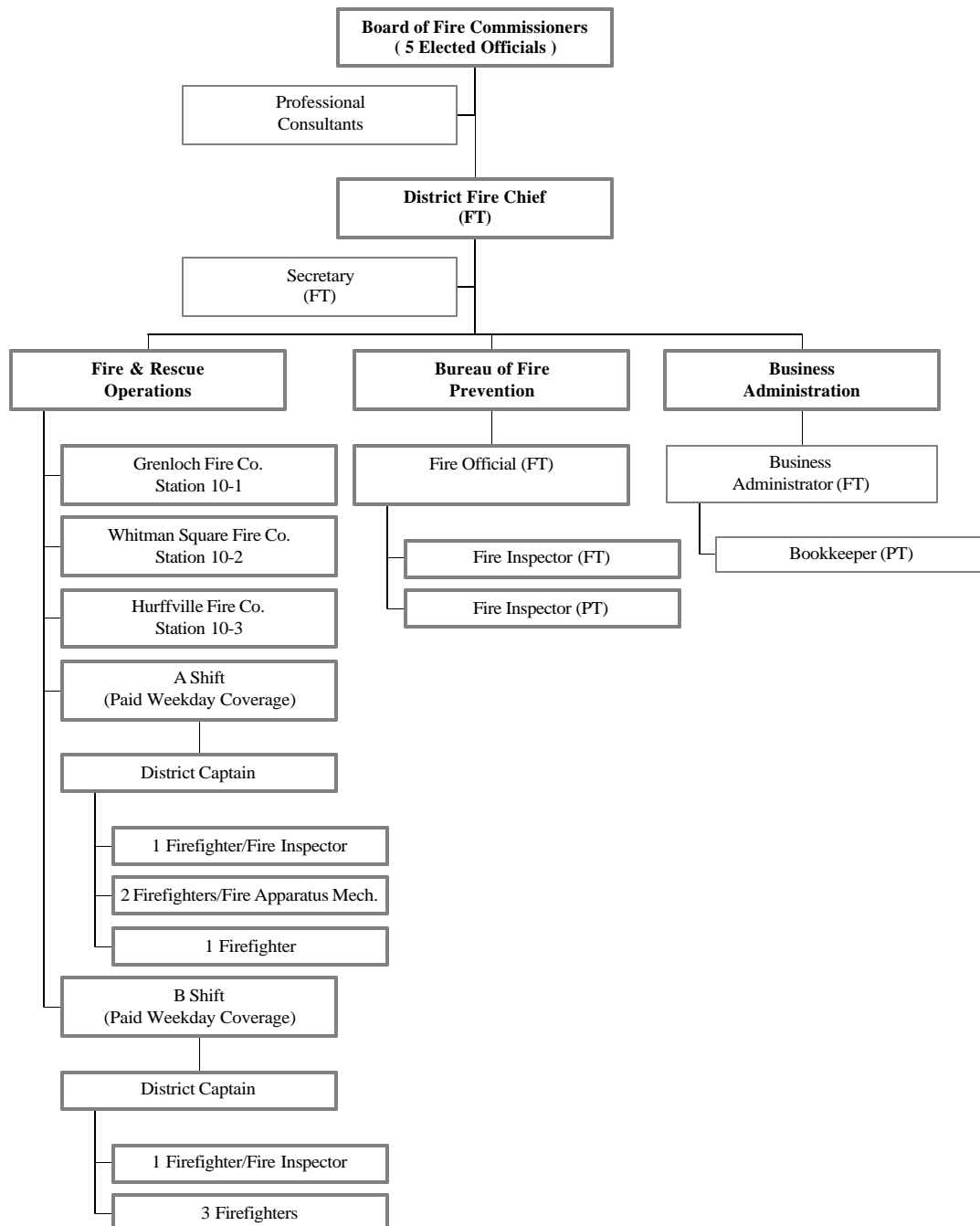
# APPENDIX J

## Washington Township Fire District 1999 Table of Organization



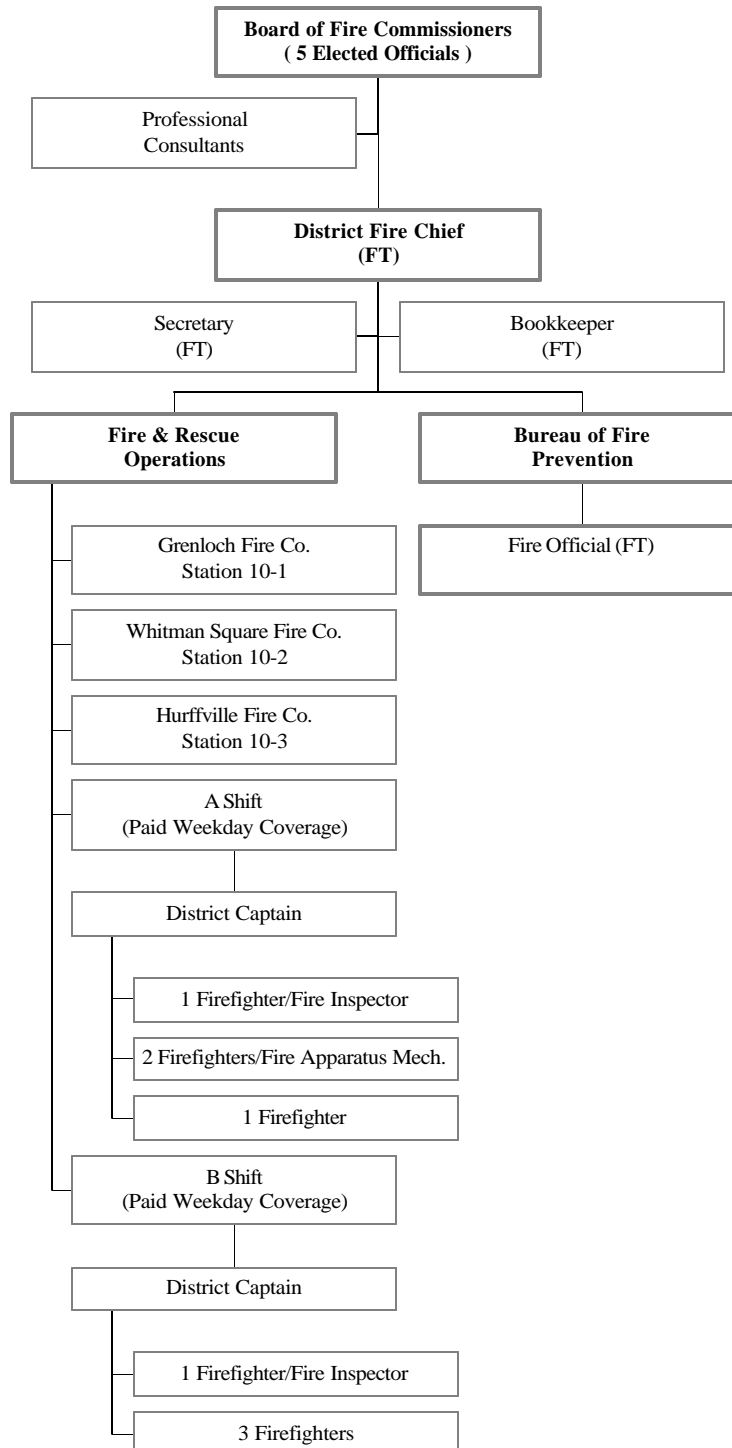
## APPENDIX K

### Washington Township Fire District 2000 Table of Organization



# APPENDIX L

## LGBR Proposed Washington Township Fire District Table of Organization



## Appendix M

### Estimated Cost for Expanding to 35 Hour Workweek (AFSCME Local 3303L)

Bargaining Unit Employees	1999 - 32 Hours		1999 - 35 Hours		# in Position	Additional Costs for Expanding to 35 Hours				
	Base	Hourly	\$ for 3 hrs	New Base		Base	Pension	SS	Medicaid	Total
Secretary II	\$35,809	\$22	\$3,357	\$39,166	2	\$6,714	\$91	\$416	\$97	\$7,319
Secretary I	\$27,955	\$17	\$2,621	\$30,576	5	\$13,104	\$178	\$812	\$190	\$14,285
Senior Clerk	\$25,892	\$16	\$2,427	\$28,319	4	\$9,709	\$132	\$602	\$141	\$10,584
Clerk III	\$23,945	\$14	\$2,245	\$26,190	3	\$6,735	\$92	\$418	\$98	\$7,341
Clerk II	\$22,996	\$14	\$2,156	\$25,152	13	\$28,027	\$381	\$1,738	\$406	\$30,552
Clerk I	\$19,053	\$11	\$1,786	\$20,839	4	\$7,145	\$97	\$443	\$104	\$7,789
					31	\$71,434	\$972	\$4,429	\$1,036	<b>\$77,870</b>

Bargaining Unit Employees	2000 - 32 hours		2000 - 35 hours		# in Position	Additional Costs for Expanding to 35 Hours				
	Base	Hourly	\$ for 3 hrs	New Base		Base	Pension	SS	Medicaid	Total
Secretary II	\$36,874	\$22	\$3,457	\$40,331	2	\$6,914	\$94	\$429	\$100	\$7,537
Secretary I	\$28,787	\$17	\$2,699	\$31,486	5	\$13,494	\$184	\$837	\$196	\$14,710
Senior Clerk	\$26,657	\$16	\$2,499	\$29,156	4	\$9,996	\$136	\$620	\$145	\$10,897
Clerk III	\$24,661	\$15	\$2,312	\$26,973	3	\$6,936	\$94	\$430	\$101	\$7,561
Clerk II	\$23,679	\$14	\$2,220	\$25,899	13	\$28,858	\$392	\$1,789	\$418	\$31,459
Clerk I	\$19,619	\$12	\$1,839	\$21,458	4	\$7,357	\$100	\$456	\$107	\$8,020
					31	\$73,556	\$1,000	\$4,560	\$1,067	<b>\$80,183</b>

Notes:

Assumes same distribution of clerk/secretarial titles as found in 1999 payroll data provided by the township.

Assumes staff in title gets the base salary, as reflected in the bargaining unit contract.

Assumes use of the hourly rate, as indicated in the base salary.

Includes a .0136 percent mandatory contribution to PERS.